

Registered number: 07662565

Charity number: 1142788

KHOO TECK PUAT UK FOUNDATION
(A company limited by guarantee)
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

KHOO TECK PUAT UK FOUNDATION

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KHOO TECK PUAT UK FOUNDATION

REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 30 JUNE 2019

Trustees Mavis Bee Geok Khoo, Trustee
Eric Kim Hai Khoo, Trustee
Elizabeth Khoo, Trustee
Jennifer Carmichael, Trustee

Company registered number 07662565

Charity registered number 1142788

Registered office 5 Fleet Place
London
EC4M 7RD

Company secretary Halco Secretaries Limited

Independent auditor Blick Rothenberg Audit LLP
Chartered Accountants
1st Floor
7 - 10 Chandos Street
London
W1G 9DQ

KHOO TECK PUAT UK FOUNDATION

TRUSTEES' REPORT FOR THE YEAR ENDED 30 JUNE 2019

The Trustees present their annual report together with the audited financial statements the company for the 1 July 2018 to 30 June 2019. The Trustees confirm that the Annual Report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) as amended by Update Bulletin 1 (effective 1 January 2015).

Since the company qualifies as small under section 383, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

Objectives and Activities

a. Policies and objectives

The Foundation's objectives are:

- the prevention or relief of poverty or financial hardship of the public
- the advancement of the education of the public
- the relief of sickness and the preservation and advancement of the health of the public
- the promotion and advancement of the arts, culture or science.

b. Grant making policies

The Foundation will make grants to other registered charities to support projects that further the Foundation's objectives and there has been no change in this policy during the period.

The Trustees have paid due regard to guidance on public benefit issued by the Charity Commission in deciding what activities the Foundation should undertake. The Trustees consider that any reader would be satisfied the actions of the Foundation work towards its objectives.

c. Main activities undertaken to further the charity's purposes for the public benefit

During the current period, the Foundation has derived rental income from its income generating assets, the investment properties. One property was purchased in 2011 using an unrestricted donation from Khoo Teck Puat Foundation. The funds generated through the rental income are therefore unrestricted.

In 2016, following receipt of a £60,000,000 loan, the Foundation acquired a second investment property to be used as an income generating unit. The loan was from the Estate of Khoo Teck Puat. The funds generated through rental income from this property are also unrestricted.

Achievements and performance

a. Review of activities

The Foundation continues to benefit from the acquisition of a second investment property. Rental income remained stable and increased by 4.75%. Income is likely to stay at this level for the foreseeable future, due to the attractive locations of both investment properties.

KHOO TECK PUAT UK FOUNDATION

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 30 JUNE 2019

The Foundation made several grants in the current year, in line with commitments made in previous years.

During the previous year, the Foundation pledged £3,000,000 to Great Ormond Street Hospital for a new MRI Suite. GOSH's aim is to transform the health and wellbeing of children and young people. This donation is to be paid over three years, with the second instalment of £1,000,000 being paid in the current year.

During the previous year, the Foundation pledged £3,000,000 to Chelsea & Westminster Hospital for a neonatal intensive care unit. The organisation will assist premature or new-born infants. This donation is to be paid over three years, with the second instalment of £1,000,000 being paid in the current year.

The donations made by the Foundation were all congruent with the aims of the charity regarding the relief of sickness and the preservation and advancement of the health of the public, and the prevention or relief of poverty or financial hardship of the public.

b. Fundraising activities

The Foundation's funds are generated through the collection of rental income from its investment properties. No fundraising activities are undertaken.

Financial review

a. Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

b. Reserves policy

It is the policy of the Foundation that unrestricted funds which have not been designated for a specific use should be maintained at a minimum level equivalent to between three and six month's expenditure. The Trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the Foundation's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year.

KHOO TECK PUAT UK FOUNDATION

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 30 JUNE 2019

c. Principal funding

During 2016, the foundation received a £60,000,000 loan from the Estate of Khoo Teck Puat. The loan is for five years, secured on the investment property and interest free. This provided the charity with the fund which it used to purchase another investment property. To date £9,000,000 of this loan has been repaid.

Both the investment properties are large commercially let buildings which are a mixture of retail and office spaces. The buildings are located in a prime area of London and is likely to remain attractive to any tenant or future purchasers of the building. The majority of units within the properties were occupied for the entirety of the year.

The Foundation's increased rental income will enable the Foundation to be self-sufficient in its charitable activities.

The Foundation has expended some resources on the maintenance and running of the investment properties and these are categorised as support costs, being the costs of receiving the income from the properties. There has also been expenditure on the administrative management of the Foundation which are categorised as governance costs.

At the year end, all of the funds of the Foundation are considered to be unrestricted as these can be used however the Trustees consider will best meet the Foundation's charitable objectives. The investment properties of the Foundation is maintained in line with the Foundation's conservative attitude to risk, which aims to conserve the value of its fund generating investments, but any realised gains on the valuation of this could be used to fund grants as with the investment income of the Foundation. Unrestricted funds are to be used for the charitable objectives of the Foundation as the Trustees consider appropriate. At the year end these are £77,199,092 (2018: £71,806,462) and represent a surplus of funds retained for future planned grants.

Structure, governance and management

a. Constitution

The Foundation is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association on 08/06/2011.

The Foundation is constituted under a Memorandum of Association dated 08/06/2011 and is a registered charity number 1142788.

b. Method of appointment or election of Trustees

The management of the Foundation is the responsibility of the Trustees who are appointed by resolution of the sole member, Khoo Teck Puat Foundation. None of the Trustees has any beneficial interest in the Foundation.

c. Policies adopted for the induction and training of Trustees

New Trustees undergo an orientation day to brief them on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the committee, the decision making process, the business plan and recent financial performance of the Foundation. Trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

As disclosed in note 6 no Trustees receive remuneration or reimbursement of expenses from the Foundation.

KHOO TECK PUAT UK FOUNDATION

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 30 JUNE 2019

d. Organisational structure and decision making

The board of Trustees is the body responsible for the management of the Foundation. The board meets periodically as needed but not less than annually. All major decisions regarding the Foundation are approved by the Board of Trustees.

e. Related party relationships

The Foundation is the UK subsidiary of Khoo Teck Puat Foundation, a charitable organisation founded by Khoo Teck Puat which is incorporated in Singapore. The Trustees work to ensure the Foundation fulfils Khoo Teck Puat's philanthropic goals. Of the Trustees; Mavis Khoo Bee Geok, Eric Khoo Kim Hai and Elizabeth Khoo are Trustees of the parent charity.

f. Risk management

The Trustees have assessed the major risks to which the Foundation is exposed, in particular those related to the operations and finances of the Foundation, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks. The Foundation actively manages its property assets to ensure the Foundation receives long term secure investment income, providing the Foundation with cash resources from which to make grants whilst protecting the Foundation's capital asset.

Plans for future periods

a. Future developments

The Foundation has two high value income producing assets allowing it to forecast with almost certainty in excess of £6.1m (2018: £5.8m) of revenues being received annually. This allows the Foundation to plan with security for the future. The Foundation will continue to contribute towards large scale medical projects which it can fund over a number of years and a small number of ancillary medical charity donations which are made on an annual basis.

Trustees' responsibilities statement

The Trustees (who are also directors of Khoo Teck Puat UK Foundation for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

KHOO TECK PUAT UK FOUNDATION

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 30 JUNE 2019

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditor

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

This report was approved by the Trustees, on ~~24 March 2020~~ and signed on their behalf by:



.....
Mavis Bee Geok Khoo
Trustee

KHOO TECK PUAT UK FOUNDATION

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF KHOO TECK PUAT UK FOUNDATION FOR THE YEAR ENDED 30 JUNE 2019

Opinion

We have audited the financial statements of Khoo Teck Puat UK Foundation (the 'charitable company') for the year ended 30 June 2019 set out on pages 10 to 21. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 June 2019 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

KHOO TECK PUAT UK FOUNDATION

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF KHOO TECK PUAT UK FOUNDATION FOR THE YEAR ENDED 30 JUNE 2019

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' report and from the requirement to prepare a Strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

KHOO TECK PUAT UK FOUNDATION

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF KHOO TECK PUAT UK FOUNDATION FOR THE YEAR ENDED 30 JUNE 2019

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Richard Churchill (senior statutory auditor)
for and on behalf of

Blick Rothenberg Audit LLP

Chartered Accountants

Statutory Auditor

1st Floor

7 - 10 Chandos Street

London

W1G 9DQ

Date: 7 April 2020

KHOO TECK PUAT UK FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 30 JUNE 2019

	Note	Unrestricted funds 2019 £	Total funds 2018 £
Income from:			
Investments	2	6,077,764	5,796,896
Other income		91,136	-
Total income		6,168,900	5,796,896
Expenditure on:			
Raising funds		757,662	606,587
Charitable activities	3	18,608	517,476
Total expenditure	4	776,270	1,124,063
Net income before other recognised gains and losses		5,392,630	4,672,833
Net movement in funds		5,392,630	4,672,833
Reconciliation of funds:			
Total funds brought forward		71,806,462	67,133,629
Total funds carried forward		77,199,092	71,806,462

The notes on pages 13 to 21 form part of these financial statements.

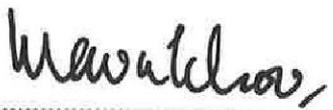
KHOO TECK PUAT UK FOUNDATION
(A company limited by guarantee)

BALANCE SHEET
AS AT 30 JUNE 2019

	Note	£	2019 £	£	2018 £
Fixed assets					
Investment property	7		125,276,953		125,276,953
Current assets					
Debtors	8	1,305,182		1,701,694	
Investments	9	1,000,000		-	
Cash at bank and in hand		5,643,546		4,963,238	
		<u>7,948,728</u>		<u>6,664,932</u>	
Creditors: amounts falling due within one year	10	<u>(3,935,560)</u>		<u>(3,854,887)</u>	
Net current assets			<u>4,013,168</u>		<u>2,810,045</u>
Total assets less current liabilities			<u>129,290,121</u>		<u>128,086,998</u>
Creditors: amounts falling due after more than one year	11	<u>(52,091,029)</u>		<u>(56,280,536)</u>	
Net assets			<u><u>77,199,092</u></u>		<u><u>71,806,462</u></u>
Charity Funds					
Unrestricted funds:					
Unrestricted funds	12	75,230,985		69,838,355	
Revaluation reserve		<u>1,968,107</u>		<u>1,968,107</u>	
Total unrestricted funds			<u>77,199,092</u>		<u>71,806,462</u>
Total funds			<u><u>77,199,092</u></u>		<u><u>71,806,462</u></u>

The company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees on 24 March 2020 and signed on their behalf, by:



.....
Mavis Bee Geok Khoo
Trustee

The notes on pages 13 to 21 form part of these financial statements.

KHOO TECK PUAT UK FOUNDATION

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2019

	Note	2019 £	2018 £
Cash flows from operating activities			
Net cash provided by operating activities	14	<u>3,680,308</u>	<u>2,474,703</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		-	(455)
Purchase of investments		<u>(1,000,000)</u>	<u>-</u>
Net cash used in investing activities		<u>(1,000,000)</u>	<u>(455)</u>
Cash flows from financing activities:			
Repayments of borrowings		<u>(2,000,000)</u>	<u>(7,000,000)</u>
Net cash used in financing activities		<u>(2,000,000)</u>	<u>(7,000,000)</u>
Change in cash and cash equivalents in the year		680,308	(4,525,752)
Cash and cash equivalents brought forward		<u>4,963,238</u>	<u>9,488,990</u>
Cash and cash equivalents carried forward	15	<u><u>5,643,546</u></u>	<u><u>4,963,238</u></u>

The notes on pages 13 to 21 form part of these financial statements.

KHOO TECK PUAT UK FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Khoo Teck Puat UK Foundation meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

1.2 Company status

The company is a company limited by guarantee. The member of the company is Khoo Teck Puat Foundation. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

1.3 Going concern

After making enquiries, the trustees have a reasonable expectation that the company has adequate resources to continue in operational existence and meet its liabilities as they fall due for the foreseeable future, being a period of at least twelve months from the date these financial statements were approved. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

1.4 Income

All income is recognised once the company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Investment income comprises rental income, service charges and other recoveries from tenants of the company's investment properties. Rental income is recognised on an accruals basis in the period in which it is earned, in accordance with the terms of the lease.

KHOO TECK PUAT UK FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

1. Accounting policies (continued)

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Governance costs are those incurred in connection with administration of the company and compliance with constitutional and statutory requirements.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities and Governance costs are costs incurred on the company's operations, including support costs and costs relating to the governance of the company apportioned to charitable activities.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

1.6 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the company; this is normally upon notification of the interest paid or payable by the Bank.

1.7 Investment properties

Investment property is carried at fair value determined annually and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the statement of financial activities incorporating income and expenditure account.

1.8 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.9 Cash at Bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

KHOO TECK PUAT UK FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

1. Accounting policies (continued)

1.10 Liabilities and provisions

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.11 Financial instruments

The company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.12 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the company and which have not been designated for other purposes.

1.13 Critical accounting estimates and areas of judgment

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Valuation of investment properties

Investment properties are professionally valued annually using a yield methodology. This uses market rental values capitalised at a market capitalisation rate but there is an inevitable degree of judgement involved in that each property is unique and value can only ultimately be reliably tested in the market itself.

KHOO TECK PUAT UK FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

2. Investment income

	Unrestricted funds 2019 £	Total funds 2018 £
Investment income - local investment properties	6,070,950	5,795,452
Investment income - local cash	6,814	1,444
	<u>6,077,764</u>	<u>5,796,896</u>
Total 2018	<u>5,796,896</u>	

3. Governance costs

	Unrestricted funds 2019 £	Total funds 2018 £
Auditors' remuneration	6,000	5,500
Auditors' non audit costs	2,600	1,959
Bank charges	8	17
	<u>8,608</u>	<u>7,476</u>

4. Analysis of Expenditure by expenditure type

	Other costs 2019 £	Total 2019 £	Total 2018 £
Investment management expenditure	69,965	69,965	37,843
Support costs	687,697	687,697	568,744
Costs of generating funds	<u>757,662</u>	<u>757,662</u>	606,587
Charitable activities	10,000	10,000	510,000
Governance costs	8,608	8,608	7,476
	<u>776,270</u>	<u>776,270</u>	<u>1,124,063</u>
Total 2018	<u>1,124,063</u>	<u>1,124,063</u>	

KHOO TECK PUAT UK FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

5. Net income

This is stated after charging:

	2019 £	2018 £
Auditor's remuneration - audit	6,000	5,500
Auditors' remuneration - other services	2,600	1,959
	<u> </u>	<u> </u>

During the year, no Trustees received any benefits in kind (2018 - £NIL).

During the year, no Trustees received any reimbursement of expenses (2018 - £NIL).

6. Staff costs

The company has no employees other than the Trustees, who did not receive any remuneration (2018 - £NIL).

7. Investment property

	Freehold investment properties £
Valuation	
At 1 July 2018 and 30 June 2019	<u>125,276,953</u>

The 2019 valuations were made by the Trustees based on information received from the managing agent, on an open market value for existing use basis.

8. Debtors

	2019 £	2018 £
Due after more than one year		
Other debtors	1,091,029	1,280,537
Due within one year		
Trade debtors	190,962	388,107
Prepayments and accrued income	23,191	33,050
	<u>1,305,182</u>	<u>1,701,694</u>

KHOO TECK PUAT UK FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

9. Current asset investments

	2019 £	2018 £
Unlisted investments (liquid)	<u>1,000,000</u>	<u>-</u>

10. Creditors: amounts falling due within one year

	2019 £	2018 £
Bank loans and overdrafts	-	1,036
Trade creditors	215,467	72,479
Other taxation and social security	253,799	295,325
Other creditors	372,198	228,522
Accruals and deferred income	1,094,096	1,257,525
Grants accrued - institutional (see Note 16)	2,000,000	2,000,000
	<u>3,935,560</u>	<u>3,854,887</u>

Deferred income

	£
Deferred income at 1 July 2018	1,248,875
Resources deferred during the year	1,085,446
Amounts released from previous years	(1,248,875)
Deferred income at 30 June 2019	<u>1,085,446</u>

11. Creditors: amounts falling due after more than one year

	2019 £	2018 £
Other loans	51,000,000	53,000,000
Other creditors	1,091,029	1,280,536
Grants accrued - institutional (see Note)	-	2,000,000
	<u>52,091,029</u>	<u>56,280,536</u>

Other loans comprise a interest free loan repayable after 5 years. The company has taken advantage of the FRS 102 public benefit exemption to not discount this loan but instead recognise the loan at cost.

KHOO TECK PUAT UK FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

12. Statement of funds

Statement of funds - current year

	Balance at 1 July 2018 £	Income £	Expenditure £	Balance at 30 June 2019 £
Unrestricted funds				
General Funds - all funds	69,838,355	6,168,900	(776,270)	75,230,985
Revaluation Reserve	1,968,107	-	-	1,968,107
	<u>71,806,462</u>	<u>6,168,900</u>	<u>(776,270)</u>	<u>77,199,092</u>

Statement of funds - prior year

	Balance at 1 July 2017 £	Income £	Expenditure £	Balance at 30 June 2018 £
General funds				
General Funds - all funds	65,165,522	5,796,896	(1,124,063)	69,838,355
Reserves	1,968,107	-	-	1,968,107
	<u>67,133,629</u>	<u>5,796,896</u>	<u>(1,124,063)</u>	<u>71,806,462</u>

Summary of funds - current year

	Balance at 1 July 2018 £	Income £	Expenditure £	Balance at 30 June 2019 £
General funds	<u>71,806,462</u>	<u>6,168,900</u>	<u>(776,270)</u>	<u>77,199,092</u>

Summary of funds - prior year

	Balance at 1 July 2017 £	Income £	Expenditure £	Balance at 30 June 2018 £
General funds	<u>67,133,629</u>	<u>5,796,896</u>	<u>(1,124,063)</u>	<u>71,806,462</u>

KHOO TECK PUAT UK FOUNDATION
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FOR THE YEAR ENDED 30 JUNE 2019

13. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2019 £
Investment property	125,276,953
Debtors due after more than 1 year	1,091,029
Current assets	6,857,699
Creditors due within one year	(3,935,560)
Creditors due in more than one year	(52,091,029)
	<u>77,199,092</u>

Analysis of net assets between funds - prior year

	Unrestricted funds 2018 £
Investment property	125,276,953
Debtors due after more than 1 year	1,280,537
Current assets	5,384,395
Creditors due within one year	(3,854,887)
Creditors due in more than one year	(56,280,536)
	<u>71,806,462</u>

14. Reconciliation of net movement in funds to net cash flow from operating activities

	2019 £	2018 £
Net income for the year (as per Statement of Financial Activities)	5,392,630	4,672,833
Adjustment for:		
Decrease/(increase) in debtors	396,512	(310,957)
Decrease in creditors	(2,108,834)	(1,887,173)
Net cash provided by operating activities	<u>3,680,308</u>	<u>2,474,703</u>

15. Analysis of cash and cash equivalents

	2019 £	2018 £
Cash in hand	2,638,817	4,958,535
Notice deposits (less than 3 months)	3,004,729	4,703
Total	<u>5,643,546</u>	<u>4,963,238</u>

KHOO TECK PUAT UK FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

16. Grant Commitments

	Total 2019 £	Total 2018 £
At 30 June 2019 the company had commitments as follows:		
Commitments in respect of grants approved for projects which have not been accrued in the financial statements but will form part of grants:		
Within one year	2,000,000	2,000,000
Between one and two years	-	2,000,000
	2,000,000	4,000,000

Details of the grants made and paid during the year can be found in the Trustee's Report.

17. Operating lease commitments

At 30 June 2019 the total of the charity's future minimum lease payments under non-cancellable operating leases was:

	2019 £	2018 £
Amounts payable:		
Within 1 year	372,449	372,449
Between 1 and 5 years	1,117,346	1,117,346
After more than 5 years	41,178,547	41,550,996
Total	42,668,342	43,040,791

18. Related party transactions

As at the balance sheet date, Khoo Teck Puat UK Foundation owed £51,000,000 (2018: £53,000,000) to the Estate of Khoo Teck Puat. The loan is for five years, interest free and secured on an investment property held by the Foundation.

19. Ultimate parent undertaking and controlling party

The ultimate parent undertaking is Khoo Teck Puat Foundation, a company limited by guarantee and incorporated in Singapore. The registered office address is 21 Mount Elizabeth, #02-00 York Hotel, Singapore 228516. Consolidated financial statements are not prepared.