

KHOO TECK PUAT UK FOUNDATION
(A Company Limited by Guarantee)
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017
Company Registration No. 07662565 (England and Wales)
Charity Registration No. 1142788

KHOO TECK PUAT UK FOUNDATION

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KHOO TECK PUAT UK FOUNDATION

REFERENCE AND ADMINISTRATIVE DETAILS OF THE FOUNDATION, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 30 JUNE 2017

Trustees

Mavis Bee Geok Khoo
Eric Kim Hai Khoo
Elizabeth Khoo
Jennifer Carmichael
Robert Neil Bruce Carmichael

Company registered number

07662565

Charity registered number

1142788

Registered office

5 Fleet Place, London, EC4M 7RD

Company secretary

Halco Secretaries Limited

Independent auditors

Blick Rothenberg Audit LLP, 1st Floor, 7 - 10 Chandos Street, London, W1G 9DQ

KHOO TECK PUAT UK FOUNDATION

TRUSTEES' REPORT

FOR THE YEAR ENDED 30 JUNE 2017

The Trustees present their annual report together with the audited financial statements for the period 1 July 2016 to 30 June 2017. 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 Foundation 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 the prior year, 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 Khoo Teck Puat Foundation based in Singapore. The funds generated through rental income from this property are also unrestricted.

The Foundation accumulated enough funds in the current and preceding periods to continue the process of making donations according to the aims and objectives of the Foundation.

Achievements and performance

a. Review of activities

During the year the Foundation benefitted from the acquisition of a second investment property in the prior year. Rental income increased by 69% and is likely to stay at this level for the foreseeable future, due to the attractive locations of both investment properties. This additional income enabled the Foundation to make further grants

KHOO TECK PUAT UK FOUNDATION

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 30 JUNE 2017

that would not have been possible in prior years.

The Foundation made a number of grants in the current year.

During the year ended 30 June 2014, the Foundation pledged £375,000 to Lifelites, an organisation who help children in hospices with rare conditions and complex disabilities. This donation is to be paid over three years, with the third instalment of £125,000 having been donated during the current year. In the prior year it was thought that there may have been an additional instalment of £125,000 made, however, this did not occur.

During the year ended 30 June 2014, the Foundation pledged £150,000 to London's Air Ambulance 2nd Helicopter Campaign. This donation is to be paid over three years, with the third and final instalment of £50,000 having been donated during the current year.

During the year ended 30 June 2015, the Foundation pledged £3,000,000 to Guy's & St Thomas's Hospital towards the Evelina Hospital Cardiac Wing. This donation is to be paid over three years, with the third and final instalment of £1,000,000 having been donated during the current year.

During the year ended 30 June 2015, the Foundation pledged £50,000 to The Stroke Association, an organisation who funds research and support services for stroke survivors, families and carers. £50,000 was paid in the prior year and a final payment of £121,000 was made in the current year.

During the year ended 30 June 2015, the Foundation pledged £20,000 to Sight Savers, an organisation who support research to fight avoidable blindness and promote equal opportunities for visually impaired people. £20,000 was paid in both the prior and current years.

During the year ended 30 June 2016, the Foundation pledged £300,000 to the British Red Cross, an organisation who help people in crisis. This donation is to be paid over three years, with the second instalment of £100,000 having been donated during the current year. The final £100,000 is pledged and to be paid next year.

During the year ended 30 June 2016, the Foundation pledged £486,987 to UCL Cancer Institute Research Trust, an organisation who conduct cancer research. This donation is to be paid over three years, with the first instalment of £226,731 having been donated during the prior year. A further instalment of £130,128 was paid during the current year with an additional instalment being paid next year.

During the year ended 30 June 2017, the Foundation donated £1,000 to PAWA, a charity working with under privileged teenage girls across 32 Asian countries.

During the year ended 30 June 2017, 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 first instalment of £1,000,000 being paid in November 2017.

During the year ended 30 June 2017, 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 first instalment of £1,000,000 being paid in September 2017.

The donations made by the Foundation were all concurrent 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.

KHOO TECK PUAT UK FOUNDATION

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 30 JUNE 2017

Financial review

a. Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the Foundation 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.

c. Principal funding

During the prior year, the foundation received a £60,000,000 loan from Khoo Teck Puat Foundation. The loan is for five years, unsecured and interest free. This provided the charity with the fund which it used to purchase another investment property.

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 period 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 £67,133,629 (2016: £68,673,167) 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.

KHOO TECK PUAT UK FOUNDATION

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 30 JUNE 2017

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.

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 £5.7m (2016: £5.7m) 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

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TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 30 JUNE 2017

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.

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 auditors

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 auditors are 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 auditors are aware of that information.

Auditors

A resolution proposing that Blick Rothenberg Audit LLP be reappointed as auditors of the Foundation will be put to the members.

This report was approved by the Trustees, on 9 March 2018 and signed on their behalf by:



.....
Jennifer Carmichael
Trustee

KHOO TECK PUAT UK FOUNDATION

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KHOO TECK PUAT UK FOUNDATION FOR THE YEAR ENDED 30 JUNE 2017

We have audited the financial statements of Khoo Teck Puat UK Foundation for the year ended 30 June 2017 set out on pages 9 to 19. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable Foundation's members, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charitable Foundation's members those matters we are required to state to them in an Auditors' 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 Foundation and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

Respective responsibilities of Trustees and auditors

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the directors of the charitable Foundation 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.

The Trustees have elected for the financial statements to be audited in accordance with the Charities Act 2011 rather than the Companies Act 2006. Accordingly we have been appointed as auditors under section 144 of the Charities Act 2011 and report to you in accordance with regulations made under section 154 of that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Foundation's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable Foundation's affairs as at 30 June 2017 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.

KHOO TECK PUAT UK FOUNDATION

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KHOO TECK PUAT UK FOUNDATION FOR THE YEAR ENDED 30 JUNE 2017

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustees' Report is inconsistent in any material respect with the financial statements; or
- the Foundation has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic Report.



Richard Churchill for and on behalf of Blick Rothenberg Audit LLP

Senior Statutory Auditor

1st Floor
7 - 10 Chandos Street
London
W1G 9DQ

Date: 9/3/2018

Blick Rothenberg Audit LLP are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

KHOO TECK PUAT UK FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 30 JUNE 2017

	Note	Total funds 2017 £	Total funds 2016 £
Income from:			
Investment income	2	5,748,189	3,400,364
Other income		-	2,800
Total income		<u>5,748,189</u>	<u>3,403,164</u>
Expenditure on:			
Legal Fees and Support costs		328,081	131,196
Charitable expenditure		6,959,646	1,008,222
Total expenditure	3	<u>7,287,727</u>	<u>1,139,418</u>
Net income / (expenditure) before other recognised gains and losses		(1,539,538)	2,263,746
Net movement in funds		(1,539,538)	2,263,746
Reconciliation of funds:			
Total funds brought forward		68,673,167	66,409,421
Total funds carried forward		<u><u>67,133,629</u></u>	<u><u>68,673,167</u></u>

The notes on pages 12 to 19 form part of these financial statements.

KHOO TECK PUAT UK FOUNDATION

REGISTERED NUMBER: 07662565

BALANCE SHEET AS AT 30 JUNE 2017

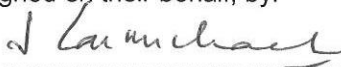
	Note	£	2017 £	£	2016 £
Fixed assets					
Investment properties	7		125,276,498		125,276,498
Current assets					
Debtors	8	1,390,737		1,556,783	
Cash at bank and in hand		9,488,990		7,012,450	
		<u>10,879,727</u>		<u>8,569,233</u>	
Creditors: amounts falling due within one year	9	(3,894,290)		(3,576,720)	
Net current assets			6,985,437		4,992,513
Total assets less current liabilities			132,261,935		130,269,011
Creditors: amounts falling due after more than one year	10		(65,128,306)		(61,595,844)
Net assets			<u>67,133,629</u>		<u>68,673,167</u>
Charity Funds					
Total funds:					
Unrestricted income funds	11	65,165,522		66,705,060	
Revaluation reserve		<u>1,968,107</u>		<u>1,968,107</u>	
Total total funds			<u>67,133,629</u>		<u>68,673,167</u>
Total funds			<u>67,133,629</u>		<u>68,673,167</u>

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

The Trustees consider that the Foundation is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and members have not required the Foundation to obtain an audit for the year in question in accordance with section 476 of the Act. However, an audit is required in accordance with section 144 of the Charities Act 2011.

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees on 9 March 2018 and signed on their behalf, by:


.....
Jennifer Carmichael

The notes on pages 12 to 19 form part of these financial statements.

KHOO TECK PUAT UK FOUNDATION

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 £	2016 £
Cash flows from operating activities			
Net cash provided by operating activities	12	2,473,205	62,368,601
Purchase of investments		-	(60,276,498)
Net cash used in investing activities		-	(60,276,498)
Cash flows from financing activities:			
Returns on investments and servicing of finance		3,335	9,444
Net cash provided by financing activities		3,335	9,444
Change in cash and cash equivalents in the year		2,476,540	2,101,547
Cash and cash equivalents brought forward		7,012,450	4,910,903
Cash and cash equivalents carried forward	13	9,488,990	7,012,450

The notes on pages 12 to 19 form part of these financial statements.

KHOO TECK PUAT UK FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

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.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS 102) published on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

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 Reconciliation with previous Generally Accepted Accounting Practice

In preparing these accounts, the Trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 the restatement of comparative items was required.

No restatements were required.

1.3 Company status

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

1.4 Income

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

For legacies, entitlement is taken as the earlier of the date on which either: the Foundation is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the Foundation has been notified of the executor's intention to make a distribution. Where legacies have been notified to the Foundation, or the Foundation is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

KHOO TECK PUAT UK FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

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.

Support costs are those costs incurred directly in support of expenditure on the objects of the Foundation and include project management carried out at Headquarters. Governance costs are those incurred in connection with administration of the Foundation 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 Foundation's educational operations, including support costs and costs relating to the governance of the Foundation 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.

Liabilities are recognised as resources expended as soon as there is a legal or constructive obligation committing the charity to the expenditure.

1.6 Revaluation of tangible fixed assets

The Foundation has adopted the cost model whereby items of property, plant and equipment are measured at cost less any accumulated depreciation and any accumulated impairment losses.

1.7 Interest receivable

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

1.8 Operating leases

Rentals under operating leases are charged to the Statement of Financial Activities incorporating Income and Expenditure Account on a straight line basis over the lease term.

1.9 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.

KHOO TECK PUAT UK FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

1. Accounting Policies (continued)

1.10 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.

1.11 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 Foundation 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.

1.12 Financial instruments

The Foundation 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.

1.13 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 Foundation and which have not been designated for other purposes.

2. Investment income

	Total funds 2017 £	Total funds 2016 £
Rental income	5,743,068	3,391,981
Interest receivable	5,121	8,384
Subtotal	<u>5,748,189</u>	<u>3,400,365</u>
Other investment income	-	(1)
Total 2017	<u><u>5,748,189</u></u>	<u><u>3,400,364</u></u>
Total 2016	<u><u>3,400,364</u></u>	

KHOO TECK PUAT UK FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

3. Analysis of Expenditure by expenditure type

	Other costs 2017 £	Total 2017 £	Total 2016 £
Legal fees	11,825	11,825	22,722
Support costs	316,256	316,256	108,474
Costs of generating funds	328,081	328,081	131,196
Charitable activities	6,947,000	6,947,000	997,987
Governance costs	12,646	12,646	10,235
Total 2017	7,287,727	7,287,727	1,139,418
<i>Total 2016</i>	<i>1,139,418</i>	<i>1,139,418</i>	

4. Net income/(expenditure)

This is stated after charging:

	2017 £	2016 £
Auditors' remuneration - audit	5,000	5,000
Auditors' remuneration - other services	2,600	2,600

During the year, no Trustees received any benefits in kind (2016 - £NIL).

During the year, no Trustees received any reimbursement of expenses (2016 - £NIL).

5. Auditors' remuneration

The Auditor's remuneration amounts to an Audit fee of £5,000 (2016 - £5,000), and other services fee of £2,600 (2016 - £2,600).

KHOO TECK PUAT UK FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

6. Staff costs

The Foundation has no employees other than the Trustees, who did not receive any remuneration (2016 - £NIL).

No employee received remuneration amounting to more than £60,000 in either year.

7. Investment properties

	Freehold investment properties £
Valuation	
At 1 July 2016 and 30 June 2017	125,276,498
Comprising	
Cost	123,308,391
Annual revaluation surplus/(deficit): 2014	1,968,107
At 30 June 2017	125,276,498

The 2017 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

	2017 £	2016 £
Due after more than one year		
Other debtors	1,128,307	1,240,716
Due within one year		
Trade debtors	228,746	275,424
Other debtors	455	37,289
Prepayments	33,229	3,354
	<u>1,390,737</u>	<u>1,556,783</u>

KHOO TECK PUAT UK FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

9. Creditors: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	81,032	184,353
Other taxation and social security	286,765	254,335
Other creditors	119,596	260,548
Accruals and deferred income	1,176,769	1,402,356
Grants accrued - institutional (see Note 14)	2,230,128	1,475,128
	<u>3,894,290</u>	<u>3,576,720</u>

Deferred income

Deferred income at 1 July 2016	1,123,058
Resources deferred during the year	1,168,118
Amounts released from previous years	(1,123,058)
Deferred income at 30 June 2017	<u>1,168,118</u>

10. Creditors: Amounts falling due after more than one year

	2017 £	2016 £
Amounts owed to group undertakings	60,000,000	60,000,000
Other creditors	1,128,306	1,240,716
Grants accrued - institutional (see Note 14)	4,000,000	355,128
	<u>65,128,306</u>	<u>61,595,844</u>

11. Statement of funds

Statement of funds - current year

	Balance at 1 July 2016 £	Income £	Expenditure £	Balance at 30 June 2017 £
Unrestricted funds				
General Funds - all funds	64,441,314	-	-	64,441,314
Reserves	1,968,107	-	-	1,968,107
Other General funds	2,263,746	5,748,189	(7,287,727)	724,208
Subtotal	<u>68,673,167</u>	<u>5,748,189</u>	<u>(7,287,727)</u>	<u>67,133,629</u>

KHOO TECK PUAT UK FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

11. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 July 2015 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 30 June 2016 £
Unrestricted funds					
General Funds - all funds	64,441,314	-	-	-	64,441,314
Reserves	1,968,107	-	-	-	1,968,107
Other General funds	-	3,403,164	(1,139,418)	-	2,263,746
Subtotal	66,409,421	3,403,164	(1,139,418)	-	68,673,167

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

	2017 £	2016 £
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(1,539,538)	2,263,746
Adjustment for:		
Returns on investments and servicing of finance	(3,335)	(9,444)
(Increase)/decrease in debtors	166,045	(1,417,774)
Increase/(decrease) in creditors	3,850,033	1,532,073
Increase in amounts owed to group undertakings	-	60,000,000
Net cash provided by operating activities	2,473,205	62,368,601

13. Analysis of cash and cash equivalents

	2017 £	2016 £
Cash in hand	9,488,990	7,012,450
Total	9,488,990	7,012,450

KHOO TECK PUAT UK FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

14. Grant Commitments

	Total 2017 £	Total 2016 £
At 30 June 2017 the Foundation 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	2,230,128	1,475,128
Between one and two years	4,000,000	355,128
	<u>6,230,128</u>	<u>1,830,256</u>

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

15. Related party transactions

During the year the Foundation received rental income of £117,870 (2016: £98,225) from Royal Garden Hotel Limited, a company under the control of the Trustees. As at the balance sheet date, Khoo Teck Puat UK Foundation was owed £nil (2016: £nil) by Royal Garden Hotel Limited.

During the year the Khoo Teck Puat UK Foundation received a £Nil (2016: £60,000,000) loan from Khoo Teck Puat Foundation, the sole member of Khoo Teck Puat UK Foundation. The loan is for five years, interest free and unsecured. As at the balance sheet date, Khoo Teck Puat UK Foundation owed £60,000,000 (2016: £60,000,000) to Khoo Teck Puat Foundation.

16. First time adoption of FRS 102

It is the first year that the Foundation has presented its financial statements under SORP 2015 and FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the year ended 30 June 2016 and the date of transition to FRS 102 and SORP 2015 was therefore 1 July 2015. As a consequence of adopting FRS 102 and SORP 2015, a number of accounting policies have changed to comply with those standards.

The policies applied under the Foundation's previous accounting framework are not materially different to FRS 102 and have not impacted on funds or net income/expenditure.