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TTSH Community Fund

(A Company limited by guarantee)
Registration Number: 201400920N
(Registered under the Companies Act, Chapter 50)

Annual Report
Year ended 31 March 2018

Directors' statement

In our opinion:

(a) the financial statements set out on pages FS1 to FS19 are drawn up so as to give a true and fair view of the financial position of the Company as at 31 March 2018 and the financial performance, changes in funds and cash flows of the Company for the year ended on that date in accordance with the provisions of the Singapore Companies Act, Chapter 50, the Charities Act, Chapter 37 and Singapore Financial Reporting Standards; and

(b) 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.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

Directors

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

Kuok Oon Kwong	(Chairman)
Saw Phaik Hwa	
Yap Wai Ming	
Seow Choke Meng	
Tan Kia Tong	
Liang Shih Tyh	
Dr Tan Chi Chiu	(Appointed on 17 August 2017)

Directors' interests

The Company has no share capital and its member's liability is limited by guarantee. Accordingly, the directors do not hold any interest in the Company.

Neither at the end of, nor at any time during the financial year, was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of any other body corporate.

Share options

The Company is limited by guarantee and has no issued share capital.

Auditors

The auditors, KPMG LLP, have indicated their willingness to accept re-appointment.

On behalf of the Board of Directors

Kuok Oon Kwong
Chairman

Liang Shih Tyh
Director

20 July 2018

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Independent auditors' report

Members of the Company
TTSH Community Fund

Report on the financial statements

Opinion

We have audited the financial statements of TTSH Community Fund ('the Company'), which comprise the balance sheet as at 31 March 2018, the statement of comprehensive income and expenditure, statement of changes in funds, and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages FS1 to FS19.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 ('the Companies Act'), the Charities Act, Chapter 37 and other relevant regulations ('the Charities Act and Regulations') and Financial Reporting Standards in Singapore ('FRSs') so as to give a true and fair view of the financial position of the Company as at 31 March 2018 and of the financial performance, changes in funds and cash flows of the Company for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ('SSAs'). Our responsibilities under those standards are further described in the *'Auditors' responsibilities for the audit of the financial statements'* section of our report. We are independent of the Company in accordance with the Accounting and Corporate Regulatory Authority *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ('ACRA Code') together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Management is responsible for the other information contained in the annual report. Other information is defined as all information in the annual report other than the financial statements and our auditors' report thereon.

We have obtained all other information prior to the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and 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, 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. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Companies Act, the Charities Act and Regulations and FRSs, 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.

In preparing the financial statements, management is responsible for assessing the 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance comprises the directors. Their responsibilities include overseeing the Company's financial reporting process.

Auditors' 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 auditors' 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 SSAs 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.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal controls relevant to the audit 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 Company's internal controls.

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- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required to be kept by the Company have been properly kept in accordance with the provisions of the Companies Act, and the Charities Act and Regulations.

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

(a) the Company has not used the donation moneys in accordance with its objectives as required under Regulation 11 of the Charities (Institutions of a Public Character) Regulations; and

(b) the Company has not complied with the requirements of Regulation 15 of the Charities (Institutions of a Public Character) Regulations.

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
20 July 2018

Balance sheet
As at 31 March 2018

	Note	2018 $	2017 $
Assets			
Other investments	4	29,696,220	28,518,750
Non-current asset		29,696,220	28,518,750
Cash and cash equivalents	5	33,131,861	25,658,468
Interest receivables		77,844	92,307
Prepayments		2,550	520
Current assets		33,212,255	25,751,295
Total assets		62,908,475	54,270,045
Liabilities			
Trade and other payables	6	624,985	700,174
Grant received in advance		16,478	–
Current and total liabilities		641,463	700,174
Net assets		62,267,012	53,569,871
Funds:			
Restricted funds			
Main Fund			
- Needy Patients fund	7(A)(a)	4,478,274	3,445,197
- Medical Education fund	7(A)(b)	1,979,202	1,912,335
- Medical Research fund	7(A)(c)	728,260	325,343
- Patient Care fund	7(A)(d)	2,172,877	1,551,156
- Central Health Enabling Fund	7(A)(e)	2,006,582	–
Ng Teng Fong Healthcare Innovation Program	7(B)	48,173,557	45,991,431
		59,538,752	53,225,462
Unrestricted fund			
General fund		2,728,260	344,409
Total funds		62,267,012	53,569,871

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

	Note	2018 Restricted Funds: Ng Teng Fong Healthcare Innovation Program	2018 Restricted Funds: Main Fund	2018 Unrestricted Funds: Main Fund (General)	2018 Total Funds	2017 Restricted Funds: Ng Teng Fong Healthcare Innovation Program	2017 Restricted Funds: Main Fund	2017 Unrestricted Funds: Main Fund (General)	2017 Total Funds
		$	$	$	$	$	$	$	$
Incoming resources									
Incoming resources from generated funds:									
- Voluntary income	8	2,000,000	4,558,467	2,264,869	8,823,336	–	1,235,394	–	1,235,394
- Income from fund-raising activities	9	–	616,562	149,769	766,331	–	531,366	60,000	591,366
Grant income		–	150,071	–	150,071	–	360,482	–	360,482
Government subvention		–	216,448	–	216,448	–	115,733	–	115,733
Incoming resources from charitable activities		–	308,573	3,184	311,757	–	231,028	1,374	232,402
Total incoming resources		2,000,000	5,850,121	2,417,822	10,267,943	–	2,474,003	61,374	2,535,377
Resources expended									
Costs of generating funds:									
- Fund-raising expenses	9	–	(25,305)	(18,352)	(43,657)	–	2,887	(13,541)	(10,654)
Charitable activities		(1,136,376)	(1,733,117)	(5,671)	(2,875,164)	(1,266,126)	(2,278,927)	(1,616)	(3,546,669)
Governance costs		(600)	(8,998)	(19,473)	(29,071)	(221)	(10,608)	(22,460)	(33,289)
Total resources expended		(1,136,976)	(1,767,420)	(43,496)	(2,947,892)	(1,266,347)	(2,286,648)	(37,617)	(3,590,612)
Finance income	10	1,319,102	48,463	9,525	1,377,090	1,449,349	64,226	3,173	1,516,748
Net incoming resources	11	2,182,126	4,131,164	2,383,851	8,697,141	183,002	251,581	26,930	461,513
Accumulated fund brought forward		45,991,431	7,234,031	344,409	53,569,871	45,808,429	6,982,450	317,479	53,108,358
Accumulated fund carried forward		48,173,557	11,365,195	2,728,260	62,267,012	45,991,431	7,234,031	344,409	53,569,871

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

Statement of changes in funds
As at 31 March 2018

	Restricted Funds		Unrestricted Funds	Total
	Ng Teng Fong Healthcare Innovation Program	**Main Fund**	**Main Fund (General)**	
	$	**$**	**$**	**$**
At 1 April 2016	45,808,429	6,982,450	317,479	53,108,358
Total comprehensive income for the year				
Net incoming resources	183,002	251,581	26,930	461,513
Total comprehensive income for the year	183,002	251,581	26,930	461,513
At 31 March 2017	45,991,431	7,234,031	344,409	53,569,871
At 1 April 2017	45,991,431	7,234,031	344,409	53,569,871
Total comprehensive income for the year				
Net incoming resources	2,182,126	4,131,164	2,383,851	8,697,141
Total comprehensive income for the year	2,182,126	4,131,164	2,383,851	8,697,141
At 31 March 2018	48,173,557	11,365,195	2,728,260	62,267,012

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

Statement of cash flows
Year ended 31 March 2018

	Note	2018 $	2017 $
Operating activities			
Net incoming resources		8,697,141	461,513
Adjustment for:			
Interest income	10	(199,620)	(212,783)
Net change in fair value of financial assets designated at fair value through income and expenditure	10	(1,177,470)	(1,303,965)
		7,320,051	(1,055,235)
Changes in working capital:			
Prepayments		(2,030)	1,566
Trade and other payables		(75,189)	306,896
Grant received in advance		16,478	–
Cash flows from/(used in) operating activities		7,259,310	(746,773)
Investing activities			
Interest received		214,083	178,766
Cash flows from investing activities		214,083	178,766
Net increase/(decrease) in cash and cash equivalents		7,473,393	(568,007)
Cash and cash equivalents at beginning of the year		25,658,468	26,226,475
Cash and cash equivalents at end of the year	5	33,131,861	25,658,468

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

Notes to the statements of account

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

The statements of account were authorised for issue by the Board of Directors on 20 July 2018.

1 Domicile and activities

TTSH Community Fund (the "Company") was incorporated on 8 January 2014 to promote all medical and health-related services that are exclusively charitable and for the benefit of the Singapore community.

The Company is incorporated as a company limited by guarantee, and domiciled in the Republic of Singapore. The registered office of the Company is located at 11 Jalan Tan Tock Seng, Singapore 308433.

The Company is registered as a charity under the Charities Act, Chapter 37 on 16 May 2014.

The Company is approved as an Institution of a Public Character ("IPC") in accordance with Section 37(9) of the Income Tax Act. The Company has obtained its IPC status since 16 May 2014. The IPC status is renewed and extended till 19 July 2021.

The Company has four registered Members, which includes Tan Tock Seng Hospital Pte Ltd ("TTSH") and MOH Holdings Pte Ltd ("MOHH") as at 31 March 2018. TTSH is the immediate holding company. National Healthcare Group Pte Ltd ("NHG") and MOHH are the intermediate holding companies of TTSH Community Fund. The ultimate controlling party during the financial year is Minister for Finance. TTSH, NHG and MOHH are companies incorporated in the Republic of Singapore.

2 Basis of preparation

2.1 Statement of compliance

The financial statements have been prepared in accordance with the Singapore Financial Reporting Standards ("FRS").

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies set out below.

2.3 Functional and presentation currency

The financial statements are presented in Singapore dollars which is the Company's functional currency. All financial information is presented in Singapore dollars unless otherwise stated.

2.4 Use of estimates and judgements

The preparation of the financial statements in conformity with FRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements and assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in:

- Note 13 – Financial instruments.

2.5 Changes in accounting policies

With effect from 1 April 2017, the Company adopted all the new and revised FRSs that are mandatory for the financial year ended 31 March 2018. The adoption of these FRSs has no significant impact on the Company's financial statements.

3 Significant accounting policies

The accounting policies set out below have been applied consistently by the Company to all periods presented in these financial statements.

3.1 Financial instruments

Non-derivative financial instruments

(i) Financial assets

The Company initially recognises loans and receivables on the date that they are originated. All other financial assets (including assets designated at fair value through income and expenditure) are recognised initially on the trade date, which is the date that the Company becomes a party to the contractual provisions of the instrument.

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Company classifies non-derivative financial assets into the following categories: financial assets at fair value through income and expenditure, and loans and receivables.

Financial assets at fair value through income and expenditure

A financial asset is classified at fair value through income and expenditure if it is classified as held for trading or is designated as such upon initial recognition. Financial assets are designated at fair value through income and expenditure if the Company manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Company's documented risk management or investment strategy. Attributable transaction costs are recognised in income and expenditure as incurred. Financial assets at fair value through income and expenditure are measured at fair value, and changes therein are recognised in income and expenditure.

Financial assets designated at fair value through income and expenditure comprise investments in unit trust.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise cash and cash equivalents, and interest receivables.

Cash and cash equivalents comprise cash and bank balances and fixed deposits with financial institutions that are subject to an insignificant risk of change in their fair value.

Impairment of financial assets

A financial asset not carried at fair value through income and expenditure is assessed at the end of each reporting period to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event(s) has occurred after the initial recognition of the asset, and that the loss event(s) has an impact on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Company on terms that the Company would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of issuers in the Company, economic conditions that correlate with defaults or the disappearance of an active market for a security.

Loans and receivables

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

In assessing collective impairment, the Company uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in income and expenditure and reflected in an allowance account against loans and receivables. Interest on the impaired asset continues to be recognised. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through income and expenditure.

(ii) Financial liabilities

Financial liabilities are recognised initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

The Company derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

The Company classifies non-derivative financial liabilities in the other financial liabilities category.

Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

Other financial liabilities comprise trade and other payables.

The Company does not have any financial assets and financial liabilities that:

- are offset in the balance sheet; or
- are subject to an enforceable master netting arrangement, irrespective of whether they are offset in the balance sheet.

3.2 Incoming resources

Incoming resources from generated funds and charitable activities comprise donations (general) and those received from fund-raising activities.

Donations (General)

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

Donations (fund-raising activities)

Donations are recognised as income upon occurrence of the fund-raising events. For donations received after the fund-raising events, they are recognised as income in the accounting period in which they are received.

Grant income

Grant income comprises grant received from the Government. Grant income is recognised in income and expenditure when the relevant qualifying costs are incurred.

Government subvention

Government subvention is recognised initially as other payables upon receipt and taken to income and expenditure when conditions attached to its recognition are met.

Finance income and costs

Finance income comprises interest income on funds invested and fair value gains on financial assets at fair value through income and expenditure, and net foreign currency gains that are recognised in income and expenditure. Interest income is recognised as it accrues, using the effective interest method.

Finance costs comprise fair value losses on financial assets at fair value through income and expenditure, net foreign currency losses and impairment losses recognised on financial assets that are recognised in income and expenditure.

3.3 Resources expended

Resources expended comprise cost of generating funds, charitable activities expenses and governance costs. Resources expended are recognised as they are incurred in the accounting period in which approval is obtained from the Board, appointed to exercise stewardship over the Company, and upon receipt of invoices from the applicants. Fund-raising expenses are recognised in the accounting period in which the event occurs.

3.4 Funds structure

General fund - unrestricted

The general fund is available for use at the discretion of the Board in furtherance of the objectives of the Company.

Restricted fund

The restricted fund is available for use at the discretion of the Board within projects in furtherance of the objectives of the Company that have been identified by donors of the Company or communicated to donors when sourcing for the funds.

3.5 Adoption of new standards

A number of new standards and amendments to standards are effective for annual periods beginning after 1 April 2017 and earlier application is permitted; however the Company has not early applied the following new or amended standards in preparing these statements.

The following standards are not expected to have a material impact on the Company's financial statements in the period of initial application.

Applicable to 2019 financial statements

FRS 109 *Financial Instruments*

FRS 109 replaces most of the existing guidance in FRS 39 Financial Instruments: Recognition and Measurement. It includes revised guidance on classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from FRS 39.

FRS 109 is effective for annual periods beginning on or after 1 January 2018, with early adoption permitted. Retrospective application is generally required, except for hedge accounting. For hedge accounting, the requirements are generally applied prospectively, with some limited exceptions. Restatement of comparative information is not mandatory. If comparative information is not restated, the cumulative effect is recorded in opening equity as at 1 January 2018. The Company plans to adopt the new standard on the required effective date in 2019 without restating comparative information.

The revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets of FRS 109 that would have an impact on the Company, with effect from annual periods beginning on or after 1 January 2018, are as described below.

Classification and measurement

The Company does not expect a significant change to the measurement basis arising from adopting the new classification and measurement model under FRS 109.

- For financial assets currently held at fair value, the Company expects to continue measuring these assets at fair value under FRS 109.

- Loans and receivables that are currently accounted for at amortised cost will continue to be accounted for using amortised cost model under FRS 109.

Impairment

FRS 109 replaces the 'incurred loss model' with a forward-looking expected credit loss ("ECL") model. The new impairment model will apply to financial assets measured at amortised cost or fair value through comprehensive income ("FVOCI"), except for investments in equity instruments, and certain loan commitments and financial guarantee contracts.

Under FRS 109, loss allowances of the Company will be measured on either of the following bases:

- 12-month ECLs. These are ECLs that result from possible default events within the 12 months after the reporting date; or
- Lifetime ECLs. These are ECLs that result from all possible default events over the expected life of a financial instrument.

The Company plans to apply the simplified approach and record lifetime ECL on the interest receivables. The Company does not expect an increase in impairment for interest receivables as at 1 April 2018.

The Company is currently finalising the testing of its expected credit loss model and the quantum of the final transition adjustments may be different upon finalisation.

Trade and other receivables

The estimated ECLs were calculated based on actual credit loss experience over the past three years.

Actual credit loss experience was adjusted by scalar factors to reflect differences between economic conditions during the period over which the historical data was collected, current conditions and the Company's view of economic conditions over the expected lives of interest receivables.

Cash and cash equivalent

The cash and cash equivalents are held with bank and financial institution counterparties, which are rated AA-to AAA, based on Standard and Poor's ratings as at 31 March 2018.

The estimated impairment on cash and cash equivalents was calculated based on the 12-month expected loss basis and reflects the short maturities of the exposures. The Company considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties.

The Company does not expect an increase in impairment on cash and cash equivalents as at 1 April 2018.

The Company is currently finalising the testing of its expected credit loss model and the quantum of the final transition adjustments may be different upon transition.

4 Other investments

	2018 $	2017 $
Non-current investments		
Financial assets designated at fair value through income and expenditure		
- Unit trusts	29,696,220	28,518,750
Represented by:		
Principal amount	27,000,000	27,000,000
Cumulative net change in fair value	2,696,220	1,518,750
	29,696,220	28,518,750

The unit trusts are set up by reputable fund managers appointed by MOH Holdings Pte Ltd to pool funds from MOH Holdings and subsidiaries for investment management. The investment objective of the unit trusts is wealth preservation and risk management has the highest priority. The unit trusts invest in investment-grade fixed income and equities. Investment guidelines limit allocation of equities to 30% of the portfolios' net asset value.

Credit and market risks, and fair value measurement

Information about the Company's exposures to credit, interest rate, currency and price risks, and fair value measurement, is included in note 13.

5 Cash and cash equivalents

	2018 $	2017 $
Fixed deposits placed with financial institutions	25,731,092	22,616,145
Cash on hand and at bank	7,400,769	3,042,323
	33,131,861	25,658,468

The effective interest rates per annum are as follows:

	2018 %	2017 %
Fixed deposits placed with financial institutions	0.20 – 1.30	0.25 – 1.30

Interest rates are repriced at regular intervals within a year (2017: within a year).

6 Trade and other payables

	2018 $	2017 $
Trade payables	50,627	81,840
Amount due to Tan Tock Seng Hospital Pte Ltd (trade)	559,794	589,062
Accrued expenses	14,564	29,272
	624,985	700,174

The Company's exposure to currency risk and to liquidity risk related to trade and other payables are disclosed in note 13.

7 Restricted funds

(A) Main Fund

(a) The Needy Patients fund is set up to provide financial assistance to needy patients of Tan Tock Seng Hospital for their treatment and related medical needs.

(b) The Medical Education fund is set up to provide funds for furtherance of continued medical education, nursing, paramedical, and caregiver education and training programmes. This also includes holding of or attending medical conference, seminars, fellowships, attachment programmes, as well as public health education and workshops.

(c) The Medical Research fund is set up to provide funds for provision and improvement of equipment and facilities as well as necessary manpower services and consumables for research and development.

(d) The Patient Care fund is set up to provide funds for patient care facilities and equipment for Tan Tock Seng Hospital's patients and the community. It may also include funding for one or more of the above purposes.

(e) Central Health Enabling Fund is set up to help support the Regional Health System mission to transform healthcare by driving the 3 key shifts – Beyond Hospital to Community, Beyond Quality to Value, and Beyond Healthcare to Health.

(B) The Ng Teng Fong Healthcare Innovation Program is set up to provide funds for developing and building human capital via healthcare-related training and innovation to deliver better patient-care.

8 Voluntary income

	2018 $	2017 $
Tax deductible donations	7,664,422	934,575
Other donations	1,158,914	300,819
	8,823,336	1,235,394

9 Income from fund-raising activities

	2018 $	2017 $
Income from fund-raising activities		
- Tax deductible donations	576,633	460,262
- Other donations	189,698	131,104
	766,331	591,366
Fund-raising expenses	43,657	10,654
Fund-raising efficiency	5.7%	1.8%

10 Finance income

	2018 $	2017 $
Interest income	199,620	212,783
Net change in fair value of financial assets designated as fair value through income and expenditure	1,177,470	1,303,965
	1,377,090	1,516,748

11 Net incoming resources

All manpower services to support the management and administration of the Company's activities are provided by Tan Tock Seng Hospital Pte Ltd and no consideration was paid for services rendered. Tan Tock Seng Hospital Pte Ltd has allowed the Company to use its premise and pays for the operating expenses of the Company. It does not charge rental for the usage of its premise or seek reimbursement of expenses paid on behalf of the Company, except as disclosed below.

During the year, significant transactions with the Tan Tock Seng Hospital Pte Ltd are as follows:

	2018 $	2017 $
Payment for charitable activities	(993,296)	(496,767)
Reimbursement receipts	2,289	67,228
Donation income	4,000,000	–

12 Income taxes

There is no tax charge for the current financial period. All Institutions of Public Character are exempted from tax with effect from the Year of Assessment 2008.

13 Financial instruments

Risk management framework

Risk management is integral to the operations of the Company. The Company has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The investment objective of the unit trusts is wealth preservation and risk management has the highest priority.

Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations, and arises primarily from the Company's cash and cash equivalents and investment in unit trusts.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet. The Company does not hold any collateral in respect of its financial assets.

Cash and cash equivalents

Cash and fixed deposits are placed with various reputable banks which are regulated.

Investment in unit trusts

Fund managers are responsible to comply with investment guidelines. The investment guidelines set forth investment objectives and risk parameters including asset allocation ranges, minimum credit ratings and foreign currency exposure. Investment guidelines limits its credit risk exposure by restricting the investments to investment-grade securities. The unit trusts are set up by reputable fund managers appointed by MOH Holdings Pte Ltd.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due under normal and stressed conditions without incurring unacceptable losses or risking damage to the Company's reputation.

The Board monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by the Board to finance the Company's operations and to mitigate the effects of fluctuations in cash flows.

The following are the expected contractual undiscounted cash outflows of financial liabilities, excluding the impact of netting agreements:

	Note	Carrying amount $	Contractual cash flow $	Within 1 year $
31 March 2018				
Trade and other payables	6	624,985	(624,985)	(624,985)
31 March 2017				
Trade and other payables	6	700,174	(700,174)	(700,174)

Market risk

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

Interest rate risk

The Company's exposure to market risk for changes in interest rates relates primarily to fixed deposits placed with financial institutions.

Sensitivity analysis

For interest-earning financial assets, an increase of 100 basis points (bp) in interest rate at the balance sheet date would increase the statement of comprehensive income and expenditure (including accumulated fund) by the amount shown below. A decrease in 100 bp in interest rate would have an equal but opposite effect. This analysis assumes that all other variables remain constant.

	Surplus or deficit	
	100 bp increase	**100 bp decrease**
	$	**$**
31 March 2018		
Fixed deposits	257,311	(257,311)
31 March 2017		
Fixed deposits	226,161	(226,161)

Foreign currency risk

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

Price risk

The objective of the Company's price risk management is to manage and control price risk exposures within acceptable parameters, while optimising the return on risk.

The Company is exposed to price risk changes arising from its investments in unit trusts at the reporting date.

Sensitivity analysis – price risk

A 5% increase in the price of the underlying investment in the unit trusts at the reporting date would increase the net incoming resources by $1,484,811 (2017: $1,425,938); an equal change in the opposite direction would have decreased the Company's net incoming resources by $1,484,811 (2017: $1,425,938).

Fair value versus carrying amounts

The fair values of recognised financial assets and liabilities together with the carrying amounts shown in the balance sheet are as follows:

	Note	Designated at fair value $	Loans and receivables $	Other financial liabilities $	Total carrying amount $	Fair value $
31 March 2018						
Financial assets measured at fair value						
Other investments	4	29,696,220	–	–	29,696,270	29,696,270
Financial assets not measured at fair value						
Interest receivables		–	77,844	–	77,844	
Cash and cash equivalents	5	–	33,131,861	–	33,131,861	
		–	33,209,705	–	33,209,705	
Financial liabilities not measured at fair value						
Trade and other payables	6	–	–	(624,985)	(624,985)	
31 March 2017						
Financial assets measured at fair value						
Other investments	4	28,518,750	–	–	28,518,750	28,518,750
Financial assets not measured at fair value						
Interest receivables		–	92,307	–	92,307	
Cash and cash equivalents	5	–	25,658,468	–	25,658,468	
		–	25,750,775	–	25,750,775	
Financial liabilities not measured at fair value						
Trade and other payables	6	–	–	(700,174)	(700,174)	

Fair value hierarchy

The table below analyses financial fair value measurements for financial assets and financial liabilities, by the levels in the fair value hierarchy based on inputs to valuation techniques. The different levels are defined as follows:

- **Level 1** : quoted prices (unadjusted) in active markets for identical assets or liabilities, that the Company can assess at the measurement date.
- **Level 2** : inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- **Level 3** : unobservable inputs for the assets or liability.

Financial assets and financial liabilities for which fair values are disclosed*

	Level 1 $	Level 2 $	Level 3 $	Total $
31 March 2018				
Other investments	–	29,696,220	–	29,696,220
31 March 2017				
Other investments	–	28,518,750	–	28,518,750

* Excludes financial assets and financial liabilities whose carrying amounts measured on the amortised cost basis approximate their fair values due to their short-term nature and where the effect of discounting is immaterial.

The valuation techniques and the inputs used in the fair value measurements of the financial assets and financial liabilities for measurement and/or disclosure purposes are set out in note 14.

Offsetting financial assets and financial liabilities

There are no financial assets and financial liabilities that:

- are offset in the Company's balance sheet; or
- are subject to an enforceable master netting arrangement, irrespective of whether they are offset in the balance sheet.

14 Measurement of fair value

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

The following summarises the significant methods and assumptions used in estimating the fair values of financial instruments of the Company:

Other investments

The fair value of other investments designated at fair value through income and expenditure categorised under Level 2 of the fair value hierarchy are based on the net asset value in the fund managers' valuation reports at the balance sheet date and is derived from prices from an observable market.

Non-derivative financial assets and liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

Other short-term financial assets and liabilities

The carrying amounts of financial assets and liabilities with a maturity of less than one year (including cash and cash equivalents, and trade and other payables) approximate their fair values because of the short period to maturity. All other financial assets and liabilities are discounted to determine their fair values.

Fair value and fair value hierarchy information on financial instruments are disclosed in note 13.

15 Key management personnel compensation

Key management personnel of the Company are those persons having the authority and responsibility for planning, directing and controlling the activities of the Company. The Board of Directors are considered to be key management personnel of the Company. The Board of Directors did not receive any form of remuneration in the financial year (2017: Nil).