KPMG

TTSH Community Fund

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

Annual Report
Year ended 31 March 2016

Directors' statement

In our opinion:

(a) the financial statements set out on pages FS1 to FS18 are drawn up so as to give a true and fair view of the financial position of the Company as at 31 March 2016 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 (Appointed on 14 April 2015)

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.

Since the end of the last financial year, no director has received or become entitled to receive, a benefit by reason of a contract made by the Company or a related corporation with the director, or with a firm of which he is a member or with a company in which he has a substantial financial interest.

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

22 July 2016

KPMG LLP
16 Raffles Quay #22-00
Hong Leong Building
Singapore 048581

Telephone +65 6213 3388
Fax +65 6225 0984
Internet www.kpmg.com.sg

Independent auditors' report

Members of the Company
TTSH Community Fund

Report on the financial statements

We have audited the accompanying financial statements of TTSH Community Fund (the Company), which comprise the balance sheet as at 31 March 2016, the statement of comprehensive income and expenditure, statement of changes in funds, and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages FS1 to FS18.

Management's responsibility 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 Singapore Companies Act, Chapter 50 (the Act), the Singapore Charities Act, Chapter 37 (the Charities Act) and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements are properly drawn up in accordance with the provisions of the Act, the Charities Act and Singapore Financial Reporting Standards so as to give a true and fair view of the financial position of the Company as at 31 March 2016 and the financial performance, changes in funds and cash flows of the Company for the year ended on that date.

Report on other legal and regulatory requirements

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

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

(a) the use of the donation moneys was not in accordance with the objectives of the Company as required under Regulation 16 of the Charities (Institutions of a Public Character) Regulations; and

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

KPMG LLP

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
22 July 2016

Balance sheet
As at 31 March 2016

	Note	2016 $	2015 $
Non-current asset			
Other investments	4	27,214,785	–
Current assets			
Cash and cash equivalents	5	26,226,475	47,035,327
Interest receivable		58,290	34,319
Prepayments		2,086	4,849
		26,286,851	47,074,495
Total assets		53,501,636	47,074,495
Current liabilities			
Trade and other payables	6	393,278	187,879
Total liabilities		393,278	187,879
Net assets		53,108,358	46,886,616
Funds:			
Restricted funds			
Needy Patients fund	7(a)	3,135,821	2,925,936
Medical Education fund	7(b)	1,725,157	2,144,826
Medical Research fund	7(c)	324,374	297,323
Patient Care fund	7(d)	1,797,098	1,200,413
Healthcare Innovative Program	7(e)	45,808,429	40,026,603
		52,790,879	46,595,101
Unrestricted fund			
General fund		317,479	291,515
Total funds		53,108,358	46,886,616

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

Statement of comprehensive income and expenditure
Year ended 31 March 2016

	Note	Year ended 31/3/2016			Period from 8/1/2014 (date of incorporation) to 31/3/2015		
		Restricted Funds $	Unrestricted Funds $	Total Funds $	Restricted Funds $	Unrestricted Funds $	Total Funds $
Incoming resources							
Incoming resources from generated funds:							
- Voluntary income	8	7,598,085	–	7,598,085	40,811,069	1,000	40,812,069
- Income from fund-raising activities	9	735,743	43,129	778,872	94,471	–	94,471
Incoming resources from charitable activities		232,552	3,577	236,129	178,971	2,078	181,049
Total incoming resources		8,566,380	46,706	8,613,086	41,084,511	3,078	41,087,589
Resources expended							
Costs of generating funds:							
- Fund-raising expenses	9	(80,895)	(619)	(81,514)	–	–	–
Charitable activities		(2,734,583)	(2,011)	(2,736,594)	(1,267,976)	(5,011)	(1,272,987)
Governance costs		(13,377)	(20,165)	(33,542)	–	(10,508)	(10,508)
Total resources expended		(2,828,855)	(22,795)	(2,851,650)	(1,267,976)	(15,519)	(1,283,495)
Finance income	10	458,253	2,053	460,306	42,090	680	42,770
Net incoming resources/(resources expended)	11	6,195,778	25,964	6,221,742	39,858,625	(11,761)	39,846,864
Accumulated fund brought forward		46,595,101	291,515	46,886,616	–	–	–
Transfer from Tan Tock Seng Hospital Community Charity Fund	16	–	–	–	6,736,476	303,276	7,039,752
Accumulated fund carried forward		52,790,879	317,479	53,108,358	46,595,101	291,515	46,886,616

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

Statement of changes in funds
As at 31 March 2016

	Note	Restricted Funds	Unrestricted Funds	Total
At 8 January 2014 (date of incorporation)		–	–	–
Funds transferred during the period	16	6,736,476	303,276	7,039,752
Total comprehensive income for the period				
Net incoming resources/(resources expended)		39,858,625	(11,761)	39,846,864
Total comprehensive income for the period		39,858,625	(11,761)	39,846,864
At 31 March 2015		46,595,101	291,515	46,886,616
At 1 April 2015		46,595,101	291,515	46,886,616
Total comprehensive income for the year				
Net incoming resources		6,195,778	25,964	6,221,742
Total comprehensive income for the year		6,195,778	25,964	6,221,742
At 31 March 2016		52,790,879	317,479	53,108,358

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

Statement of cash flows
Year ended 31 March 2016

	Note	Year ended 31/3/2016 $	Period from 8/1/2014 (date of incorporation) to 31/3/2015 $
Operating activities			
Net incoming resources		6,221,742	39,846,864
Adjustment for:			
Interest income		(245,521)	(42,770)
Net change in fair value of financial assets designated at fair value through income and expenditure	4	(214,785)	–
		5,761,436	39,804,094
Changes in working capital:			
Prepayments		2,763	(4,849)
Trade and other payables		205,399	(182,466)
Cash flows from operating activities		5,969,598	39,616,779
Investing activities			
Interest received		221,550	17,521
Investment in unit trusts	4	(27,000,000)	–
Cash flows (used in)/from investing activities		(26,778,450)	17,521
Net (decrease)/increase in cash and cash equivalents		(20,808,852)	39,634,300
Cash and cash equivalents at beginning of year/ date of incorporation		47,035,327	–
Cash transferred from Tan Tock Seng Hospital Community Charity Fund	16	–	7,401,027
Cash and cash equivalents at end of the year/period	5	26,226,475	47,035,327

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 22 July 2016.

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. Tan Tock Seng Hospital Community Charity Fund transferred all its assets and liabilities, and operations to the Company on 31 August 2014 (Note 16), after approval was obtained from Ministry of Health.

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 for a period of 3 years from 16 May 2014 to 19 July 2016. The IPC status has been extended for a further 2 years until 19 July 2018.

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 2016. 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.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are included in the following notes:

- Note 13 – Financial instruments.

2.5 Changes in accounting policies

With effect from 1 April 2015, the Company adopted the new and revised FRS that are mandatory for the financial year ended 31 March 2016. 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.

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 borrowers or issuers in the group, 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

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.

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 New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 April 2015, and have not been applied in preparing these financial statements. The Company is currently assessing the potential impact of adopting these new standards and interpretations, on the financial statements of the Company.

These new standards include, among others, FRS 115 *Revenue from Contracts with Customers* and FRS 109 *Financial Instruments* which are mandatory for the adoption by the Company on 1 April 2018.

- FRS 115 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It also introduces a new cost guidance which requires certain costs of obtaining and fulfilling contracts to be recognised as separate assets when specified criteria are met. When effective, FRS 115 replaces existing revenue recognition guidance, including FRS 18 *Revenue*, FRS 11 *Construction Contracts*, INT FRS 113 *Customer Loyalty Programmes*, INT FRS 115 *Agreements for the Construction of Real Estate*, INT FRS 118 *Transfers of Assets from Customers* and INT FRS 31 *Revenue – Barter Transactions Involving Advertising Services*.
- 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.

As FRS 109, when effective, will change the existing accounting standards and guidance applied by the Company in accounting for financial instruments, these standards are expected to be relevant to the Company. The Company is currently assessing the impact upon adoption of these standards in the financial year ending 31 March 2019. The Company does not plan to adopt these standards early.

4 Other investments

	Note	2016 $	2015 $
Non-current investments			
Financial assets designated at fair value through income and expenditure			
- Unit trusts		27,214,785	–
Represented by:			
Principal amount		27,000,000	–
Net change in fair value	10	214,785	–
		27,214,785	–

On 26 February 2016, investments were made into the unit trusts. 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

	2016 $	2015 $
Fixed deposits placed with financial institutions	23,837,824	30,738,360
Cash on hand and at bank	2,388,651	16,296,967
Cash and cash equivalents in the statement of cash flows	26,226,475	47,035,327

The interest rates per annum relating to cash and cash equivalents at the balance sheet date is 0.05 – 1.34% (2015: 0.139%). The interest rates for fixed deposits with financial institutions are repriced at regular intervals within a year.

6 Trade and other payables

	2016 $	2015 $
Trade payables	141,632	–
Amount due to Tan Tock Seng Hospital Pte Ltd	235,640	56,559
Accrued expenses	16,006	98,100
Advances received	–	33,220
	393,278	187,879

The amount due to Tan Tock Seng Hospital Pte Ltd is unsecured, interest-free and repayable on demand.

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) 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) The Healthcare Innovative Program is set up to provide funds for developing and building human capital via healthcare-related training and innovation.

8 Voluntary income

	Year ended 31/3/2016 $	Period from 8/1/2014 (date of incorporation) to 31/3/2015 $
Tax deductible donations	7,330,463	40,649,907
Other donations	267,622	162,162
	7,598,085	40,812,069

9 Income from fund-raising activities

	Year ended 31/3/2016 $	Period from 8/1/2014 (date of incorporation) to 31/3/2015 $
Income from fund-raising activities		
- Tax deductible donations	548,348	46,943
- Other donations	230,524	47,528
	778,872	94,471
Fund-raising expenses	81,514	–
Fund-raising efficiency	10.5%	–

10 Finance income

	Note	2016 $	2015 $
Interest income		245,521	42,770
Net change in fair value of financial assets designated as fair value through income and expenditure	4	214,785	–
		460,306	42,770

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:

	Year ended 31/3/2016 $	Period from 8/1/2014 (date of incorporation) to 31/3/2015 $
Payment for charitable activities	(189,350)	(751,103)
Reimbursement receipts	14,058	202,519

12 Income taxes

The Company is an approved charity organisation under the Charities Act, Chapter 37 and an Institution of Public Character. No provision for tax has been made in the financial statements as the Company is exempt from income tax.

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 unit trusts are set up by reputable fund managers appointed by MOH Holdings Pte Ltd.

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.

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:

	Carrying amount $	Contractual cash flow $	Within 1 year $
31 March 2016			
Trade and other payables*	393,278	(393,278)	(393,278)
31 March 2015			
Trade and other payables*	154,659	(154,659)	(154,659)

* *Excludes advances received.*

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 2016		
Fixed deposits	238,278	(238,278)
31 March 2015		
Fixed deposits	307,384	(307,384)

Foreign currency risk

The financial assets and financial liabilities of the Company are denominated in Singapore dollars. The Company has no significant 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 $1,360,739 (2015: $Nil); an equal change in the opposite direction would have decreased the Company's net incoming resources by $1,360,739 (2015: $Nil).

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 2016						
Financial assets measured at fair value						
Other investments	4	27,214,785	–	–	27,214,785	27,214,785

	Note	Designated at fair value $	Loans and receivables $	Other financial liabilities $	Total carrying amount $	Fair value $
31 March 2016						
Financial assets not measured at fair value						
Interest receivables		–	58,290	–	58,290	
Cash and cash equivalents	5	–	26,226,476	–	26,226,476	
		–	26,284,766	–	26,284,766	
Financial liabilities not measured at fair value						
Trade and other payables*	6	–	–	(393,278)	(393,278)	
31 March 2015						
Financial assets not measured at fair value						
Interest receivables		–	34,319	–	34,319	
Cash and cash equivalents	5	–	47,035,327	–	47,035,327	
		–	47,069,646	–	47,069,646	
Financial liabilities not measured at fair value						
Trade and other payables*	6	–	–	(154,659)	(154,659)	

* *Excludes advances received*

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 2016				
Other investments	–	27,214,785	–	27,214,785

* 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 (2015: Nil).

16 Related party transaction

On 31 August 2014, the operations, assets and liabilities of Tan Tock Seng Hospital Community Charity Fund were transferred to the Company at their carrying values as at 31 August 2014.

The effect of the transfer is as follows:

	31/8/2014 $
Current assets	
Cash and cash equivalents	7,401,027
Interest receivable	9,070
Total assets	7,410,097
Current liabilities	
Accrued expenses	219,288
Amount due to Trustee	151,057
Total liabilities	370,345
Net assets	7,039,752
Funds:	
Restricted funds:	
Needy Patients fund	3,158,477
Medical Education fund	2,060,850
Medical Research fund	296,642
Patient Care fund	1,220,507
	6,736,476
Unrestricted fund	
General fund	303,276
Total funds	7,039,752