JurongHealth Fund
(A Company limited by guarantee)
Registration Number: 201118604G
(Registered under the Companies Act, Chapter 50)

Annual Report
Year ended 31 March 2017

Directors' statement

We are pleased to submit this annual report to the members of the Company together with the audited financial statements for the financial year ended 31 March 2017.

In our opinion:

(a) the financial statements set out on pages FS1 to FS21 are drawn up so as to give a true and fair view of the financial position of the Company as at 31 March 2017 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:

Mr Haider M Sithawalla
Mr Chua Song Khim
Mr Foo Hee Jug
Mr Deric Liang Shih Tyh
Mr Lim Joo Boon
A/Prof Lim Swee Hia
Mr Ng Tiak Soon
Prof Robert Pho Wan Heng
Mrs Arfat Selvam
Mr Timothy Teo Lai Wah

Directors' interests

The Company has no share capital and its members' liability is limited by guarantee.

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

Mr Haider M Sithawalla
Director

Mr Ng Tiak Soon
Director

23 May 2017

KPMG

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Independent auditors' report

Members of the Company
JurongHealth Fund

Report on the audit of the financial statements

Opinion

We have audited the financial statements of JurongHealth Fund ('the Company'), which comprise the statement of financial position as at 31 March 2017, the statement of comprehensive income, 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 FS21.

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 2017 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. The other information obtained at the date of this auditors' report is Directors' Statement.

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 on the other information obtained prior to the date of this auditors' report, 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 directors 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.

- 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 those charged with governance 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 that causes 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

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
23 May 2017

Statement of financial position
As at 31 March 2017

	Note	2017 $	2016 $
Assets			
Non-current assets			
Property, plant and equipment	4	70,948	20,034
Intangible assets	5	93,801	4,826
Investments	6	96,118,750	91,723,905
		96,283,499	91,748,765
Current assets			
Interest receivables		300,394	93,709
Cash and cash equivalents	7	29,501,022	34,285,825
		29,801,416	34,379,534
Total assets		126,084,915	126,128,299
Funds and liabilities			
Restricted fund		395,047	508,236
Unrestricted fund		125,573,158	124,190,984
Accumulated funds	8	125,968,205	124,699,220
Current liability			
Other payables	9	116,710	1,429,079
Total liability		116,710	1,429,079
Total funds and liability		126,084,915	126,128,299

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

Statement of comprehensive income
Year ended 31 March 2017

	Note	Unrestricted Fund $ 2017	Restricted Fund $ 2017	Total $ 2017	Unrestricted Fund $ 2016	Restricted Fund $ 2016	Total $ 2016
Incoming resources							
Incoming resources from generated funds:							
Voluntary income							
- Donations	10	60,799	3,313	64,112	25,070,196	488,533	25,558,729
Investment income	11	4,844,606	–	4,844,606	1,797,776	–	1,797,776
Total incoming resources		4,905,405	3,313	4,908,718	26,867,972	488,533	27,356,505
Resources expended							
Grants made	12	(3,445,844)	(111,949)	(3,557,793)	(2,622,299)	(391,350)	(3,013,649)
Governance and other costs	13	(74,117)	–	(74,117)	(22,358)	–	(22,358)
Depreciation of property, plant and equipment	4	(2,998)	–	(2,998)	(2,329)	–	(2,329)
Amortisation of intangible assets	5	(4,825)	–	(4,825)	(7,240)	–	(7,240)
Total resources expended		(3,527,784)	(111,949)	(3,639,733)	(2,654,226)	(391,350)	(3,045,576)
Net incoming resources, representing total comprehensive income for the year		1,377,621	(108,636)	1,268,985	24,213,746	97,183	24,310,929

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

Statement of changes in funds
Year ended 31 March 2017

	Unrestricted Fund	Restricted Fund					Total Accumulated Funds
	General Fund $	Gift of Mobility Programme $	Mobility Park at Jurong Community Hospital $	Hearing Implant Programme $	Other Donation $	Total $	$
As at 1 April 2015	99,977,238	8,782	400,000	–	2,271	411,053	100,388,291
Total comprehensive income for the year							
Net incoming resources/(resources expended)	24,213,746	(315)	(291,035)	381,500	7,033	97,183	24,310,929
Total comprehensive income for the year	24,213,746	(315)	(291,035)	381,500	7,033	97,183	24,310,929
As at 31 March 2016	124,190,984	8,467	108,965	381,500	9,304	508,236	124,699,220
As at 1 April 2016	124,190,984	8,467	108,965	381,500	9,304	508,236	124,699,220
Total comprehensive income for the year							
Net incoming resources/(resources expended)	1,377,621	(5,752)	(104,412)	(1,785)	3,313	(108,636)	1,268,985
Total comprehensive income for the year	1,377,621	(5,752)	(104,412)	(1,785)	3,313	(108,636)	1,268,985
Reclassification*	4,553	–	(4,553)	–	–	(4,553)	–
As at 31 March 2017	125,573,158	2,715	–	379,715	12,617	395,047	125,968,205

*During the year, the Company reclassified $4,553 from restricted fund to unrestricted fund upon completion of the construction of the Mobility Park and approval from the donor.

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

Statement of cash flows
Year ended 31 March 2017

	Note	2017 $	2016 $
Cash flows from operating activities			
Net incoming resources for the year		1,268,985	24,310,929
Adjustments for:			
Depreciation of property, plant and equipment	4	2,998	2,329
Amortisation of intangible assets	5	4,825	7,240
Interest income	11	(449,761)	(1,073,871)
Net change in fair value of financial assets designated at fair value through profit or loss	11	(4,394,845)	(723,905)
		(3,567,798)	22,522,722
Changes in other payables		(1,312,369)	1,104,040
Net cash (used in)/from operating activities		(4,880,167)	23,626,762
Cash flows from investing activities			
Interest received		243,076	1,131,215
Acquisition of investments		–	(91,000,000)
Purchase of property, plant and equipment	4	(53,912)	(22,363)
Purchase of intangible assets	5	(93,800)	–
Net cash used in investing activities		95,364	(89,891,148)
Net decrease in cash and cash equivalents		(4,784,803)	(66,264,386)
Cash and cash equivalents at beginning of the year		34,285,825	100,550,211
Cash and cash equivalents at end of the year	7	29,501,022	34,285,825

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

Notes to the financial statements

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 23 May 2017.

1 Domicile and activities

The JurongHealth Fund (the Company) was established on 4 August 2011 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 1 Jurong East Street 21, Singapore 609606.

The Company is registered as a charity under the Singapore Charities Act, Chapter 37 on 29 August 2011 and is an approved institution of a public character in accordance with Section 37(a) of the Income Tax Act.

The Company has three registered Corporate Members, namely Jurong Health Services Pte. Ltd. ("JurongHealth"), MOH Holdings Pte. Ltd. and Agency for Integrated Care Pte. Ltd. JurongHealth is the holding company of the JurongHealth Fund as it controls the board composition. The intermediate holding company during the financial year is MOH Holdings Pte. Ltd. ("MOHH"), a company incorporated in the Republic of Singapore. The ultimate controlling party of the Company during the financial year is the Minister for Finance.

JurongHealth is the proprietor of the following registered businesses, namely, Ng Teng Fong General Hospital, Jurong Community Hospital, Jurong Medical Centre and National University Polyclinics.

2 Basis of preparation

2.1 Statement of compliance

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

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except as otherwise described in the notes below.

2.3 Functional and presentation currency

These financial statements are presented in Singapore dollars, which is the Company's functional currency.

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.

There are no critical judgements in applying accounting policies that have significant effect on the amount recognised in the financial statements and no assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year.

Measurement of fair values

A few of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values. All significant fair value measurements are referenced to either quoted prices or based on net asset value price quoted by external fund managers.

When measuring the fair value of an asset or a liability, the Company uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- *Level 1*: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- *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*: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement (with Level 3 being the lowest).

Further information about the assumptions made in measuring fair values is included in note 15 - financial instruments.

3 Significant accounting policies

The Company adopted new or amended financial reporting standards which became effective during the year. The initial adoption of these standards did not have a material impact on the financial statements.

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

3.1 Financial instruments

Non-derivative 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 profit or loss) 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 statement of financial position 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 has the following categories of non-derivative financial assets: financial assets at fair value through profit or loss, and loans and receivables.

Financial assets at fair value through profit or loss

A financial asset is classified at fair value through profit or loss if it is classified as held for trading or is designated as such upon initial recognition. Financial assets are designated at fair value through profit or loss 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 profit and loss as incurred. Financial assets at fair value through profit or loss are measured at fair value, and changes therein are recognised in the statement of comprehensive income.

Financial assets designated at fair value through profit or loss comprise investment in unit trusts.

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 interest receivables, and cash and cash equivalents.

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

Non-derivative financial liabilities

The Company initially recognises all financial liabilities 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 liability when the contractual obligations are discharged, cancelled or expire.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position 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 liabilities into other financial liabilities category.

Such financial liabilities are initially measured at fair value less 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 other payables.

3.2 Property, plant and equipment

(i) Recognition and measurement

Property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes:
- the cost of materials and direct labour;
- any other costs directly attributable to bringing the assets to a working condition for the intended use; and
- when the Company has an obligation to remove the asset or restore the site, an estimate of the costs of dismantling and removing the items and restoring the site on which they are located.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items.

The gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in the statement of comprehensive income.

(ii) Subsequent costs

The cost of replacing a component of an item of fixtures is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of fixtures are recognised in statement of comprehensive income as incurred.

(iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised as an expense in statement of comprehensive income on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment.

Depreciation is recognised from the date that the property, plant and equipment are installed and are ready for use.

The estimated useful life for the current year and comparative years are as follow:

Fixtures	- 8 years
Computer equipment	- 3 years

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

3.3 Intangible assets

Computer software, which is not an integral part of the related hardware, is accounted for as an intangible assets and is measured at cost less accumulated amortisation and accumulated impairment losses.

(i) Amortisation

Amortisation of intangible assets is calculated based on the cost of the asset, less its residual value.

Amortisation is recognised in the statement of comprehensive income on a straight-line basis over the estimated useful life of 3 years, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

No amortisation is recognised on software development-in-progress.

Amortisation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

3.4 Impairment

(i) Non-derivative financial assets

A financial asset not carried at fair value through profit or loss 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, 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 a specific asset level. All individually significant loans and receivables are assessed for specific impairment.

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 statement of comprehensive income 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 statement of comprehensive income.

(ii) Non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit (CGU) exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risk specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

Impairment losses are recognised in the statement of comprehensive income. Impairment losses recognised in respect of CGUs are allocated to reduce the carrying amounts of the assets in the CGU (group of CGUs) on a *pro rata* basis.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.5 Funds structure

(i) Unrestricted funds

General fund

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

(ii) Restricted funds

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

3.6 Income recognition

Donations

Donations are recognised in the period of receipt in the statement of comprehensive income as incoming resources.

Investment income

Investment income comprises interest income on funds invested and fair value gains on financial assets at fair value through profit or loss. Interest income is recognised as it accrues, using the effective interest method.

3.7 Tax expense

The Company is an approved charity organisation under the Singapore Charities Act, Chapter 37. No provision for taxation has been made in the financial statements as the Company is a registered charity with income tax exemption.

3.8 New standards and interpretations not adopted

A number of new standards and amendments to standards are effective for annual periods beginning after 1 April 2016 and earlier application is permitted; however the Company has not early applied the following new or amended standards in preparing these financial statements.

For those new standards and amendments to standards that are expected to have an effect on the financial statements of the Company in future financial periods, the Company is assessing the transition options and the potential impact on its financial statements, and to implement these standards. The Company does not plan to adopt these standards early.

FRS109 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.

The Company does not expect a significant change to the classification and measurement basis arising from the adoption of FRS 109.

The Company is currently gathering data to quantify the potential impact of FRS109 and plans to adopt the new standard on the required effective date in 2018 without restating comparative information.

4 Property, plant and equipment

	Computer Equipment $	Fixtures $	Total $
Cost			
At 1 April 2015	–	–	–
Additions	–	22,363	22,363
At 31 March 2016	–	22,363	22,363
Additions	53,912	–	53,912
At 31 March 2017	53,912	22,363	76,275
Accumulated depreciation			
At 1 April 2015	–	–	–
Depreciation charge for the year	–	2,329	2,329
At 31 March 2016	–	2,329	2,329
Depreciation charge for the year	202	2,796	2,998
At 31 March 2017	202	5,125	5,327
Carrying amounts			
At 1 April 2015	–	–	–
At 31 March 2016	–	20,034	20,034
At 31 March 2017	53,710	17,238	70,948

5 Intangible assets

	Computer software $
Cost	
At 1 April 2015 and 31 March 2016	21,719
Additions	93,800
At 31 March 2017	115,519
Accumulated amortisation	
At 1 April 2015	9,653
Amortisation charge for the year	7,240
At 31 March 2016	16,893
Amortisation charge for the year	4,825
At 31 March 2017	21,718
Carrying amounts	
At 1 April 2015	12,066
At 31 March 2016	4,826
At 31 March 2017	93,801

6 Investments

	2017 $	2016 $
Non-current investments		
Financial assets designated at fair value through profit and loss		
- Unit trusts	96,118,750	91,723,905
Represented by:		
Cost	91,000,000	91,000,000
Cumulative net change in fair value	5,118,750	723,905
	96,118,750	91,723,905

On 26 February 2016, the Company invested in unit trusts 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 and market risks, and fair value measurement, is included in note 15.

7 Cash and cash equivalents

	2017 $	2016 $
Cash at bank	901,022	1,021,319
Fixed deposits	28,600,000	33,264,506
	29,501,022	34,285,825

The effective interest rates per annum at the reporting date are as follows:

	2017	2016
Fixed deposits	1.1% – 1.6%	1.1% – 1.3%

Interest rates reprice at intervals of one to twelve months.

8 Accumulated funds

	2017 $	2016 $
Accumulated funds		
Restricted funds		
- Gift of Mobility Programme	2,715	8,467
- Mobility Park at Jurong Community Hospital Programme	–	108,965
- Hearing Implant Programme	379,715	381,500
- Other donation	12,617	9,304
	395,047	508,236
Unrestricted funds		
- General Fund	125,573,158	124,190,984
	125,968,205	124,699,220

General Fund

This fund comprises donations received from various entities within Far East Organization, fulfilling a pledge of $125 million by the family of the late Mr Ng Teng Fong over five tranches (or years) from September 2011 to August 2015, for promoting and developing health-related services that will benefit the Singapore community. In August 2015, the Company received the final tranche of the $25 million donation.

Restricted Fund

(a) *Gift of Mobility Programme*

Donation received from SMRT Corporation Limited was earmarked to support the transport needs of JurongHealth's financially needy patients, who require point-to-point taxi-transfer services.

(b) *Mobility Park at Jurong Community Hospital*

Donation was received from SMRT Corporation Limited for the fabrication of one mock-up train and bus carriage and the provision of a decommissioned taxi to be located in the Mobility Park at Jurong Community Hospital. The purpose of the train and the bus carriage is to encourage regular use of public transportation and to provide practical assistance in overcoming the barriers patients may face during travelling.

(c) *Hearing Implant Programme*

Donations were received from both Far East Organization and a director of Jurong Health Services Pte. Ltd. to support needy, hearing-impaired patients who require hearing implant treatments in Ng Teng Fong General Hospital.

(d) *Other Donation*

Donations were mainly received from staff and patients from Ng Teng Fong General Hospital to support needy patients.

9 Other payables

	2017 $	2016 $
Accrued audit fees	6,206	5,880
Accrued operating expenses	4,000	–
Accrued capital expenditures	96,177	–
Amounts due to holding company	10,327	1,423,199
	116,710	1,429,079

The amounts due to holding company relate to payments made on behalf of the Company and funds to be disbursed by the Company for various programmes and initiatives by Ng Teng Fong General Hospital, Jurong Community Hospital, and Jurong Medical Centre.

10 Donations

	2017 $	2016 $
Donations with tax-exempt receipts issued	62,052	25,552,216
Donations without tax-exempt receipts issued	2,060	6,513
	64,112	25,558,729

11 Investment income

	2017 $	2016 $
Interest income	449,761	1,073,871
Net change in fair value of financial assets designated as fair value through profit or loss	4,394,845	723,905
	4,844,606	1,797,776

12 Grants made

The Company has awarded grants in relation to the programmes and initiatives undertaken by all institutions within Jurong Health Services Pte Ltd. Grants made are recognised as they are incurred in the accounting period in which approval is obtained, and upon receipt of claims from the applicants.

31 March 2017

Strategic objectives	Outstanding commitment as at 1 April 2016 $	Awarded amount during the financial year $	Revision in awarded amount during the financial year $	Total commitment during the financial year $	Amount recognised during the year $	Expired grants during the year $	Outstanding commitments as at 31 March 2017 $	Outstanding commitment as at 31 March 2017: Within 1 year $	Outstanding commitment as at 31 March 2017: After 1 year $
Community Care	17,742,240	–	(315,000)	17,427,240	(1,659,364)	–	15,767,876	6,330,113	9,437,763
Education	24,382,846	35,000	(279,786)	24,138,060	(1,617,852)	–	22,520,208	6,542,209	15,977,999
Needy Patients	423,183	10,000	(31,000)	402,183	(36,375)	–	365,808	47,593	318,215
Pilot Projects	108,965	55,000	–	163,965	(104,412)	(4,553)	55,000	55,000	–
Research	2,637,578	–	–	2,637,578	(139,790)	–	2,497,788	2,497,788	–
Total	45,294,812	100,000	(625,786)	44,769,026	(3,557,793)	(4,553)	41,206,680	15,472,703	25,733,977

31 March 2016

Strategic objectives	Outstanding commitment as at 1 April 2015 $	Awarded amount during the financial year $	Revision in awarded amount during the financial year $	Total commitment during the financial year $	Amount recognised during the year $	Expired grants during the year $	Outstanding commitments as at 31 March 2016 $	Outstanding commitment as at 31 March 2016: Within 1 year $	Outstanding commitment as at 31 March 2016: After 1 year $
Community Care	3,472,171	15,018,042	–	18,490,213	(747,973)	–	17,742,240	4,980,963	12,761,277
Education	6,927,681	19,198,000	–	26,125,681	(1,742,835)	–	24,382,846	3,777,780	20,605,066
Needy Patients	15,576	450,000	–	465,576	(35,577)	(6,816)	423,183	306,516	116,667
Pilot Projects	535,895	–	–	535,895	(426,759)	(171)	108,965	108,965	–
Research	60,505	2,637,578	–	2,698,083	(60,505)	–	2,637,578	1,192,695	1,444,883
Total	11,011,828	37,303,620	–	48,315,448	(3,013,649)	(6,987)	45,294,812	10,366,919	34,927,893

13 Governance and other costs

	2017 $	2016 $
Manpower cost recharged by holding company	48,418	–
Audit fee		
- External	6,532	6,230
- Internal	10,700	11,322
Annual report design work	7,245	3,000
Others	1,222	1,806
	74,117	22,358

'The annual report design work cost in 2017 includes accrual for the current year and cost for the prior year.

14 Related parties

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 is considered as key management personnel of the Company. The Board of Directors did not receive any form of remuneration during the financial year.

Other related party transactions

Certain support and administrative services are provided by Jurong Health Services Pte Ltd, at nil consideration.

15 Financial instruments

Financial risk management

Overview

The Company is exposed to financial risks, namely, credit risk, liquidity risk and market risk, arising from its operations and investments.

Risk management framework

Risk management is integral to the operations of the Company. The Board of Directors has established a system of controls in place to create an acceptable balance between cost of risks occurring and the cost of managing the risks. The Board of Directors continually monitors the Company's risk management process to ensure that an appropriate balance between risk and control is achieved. Risk management framework relating to financial risk 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.

At the reporting date, there is no significant concentration of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position. The Company does not hold any collateral in respect of their financial assets.

The Company only records donations in the period of receipt. The Board of Directors regularly monitors the recoverability of its financial assets and believe that it has adequately provided for any exposure to potential losses.

Cash and cash equivalents

Surplus cash are placed as fixed deposits with reputable financial institutions, which are regulated. In a bid to manage its credit risk, the Company only placed fixed deposits with reputable financial institutions. Given that the Company only has placed fixed deposits with reputable financial institutions, the Board of Directors does not expect any counterparty to fail to meet its obligations.

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 not be able to meet its financial obligations as and when they fall due.

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

The total contractual undiscounted cash flows of the Company's non-derivative financial liabilities approximate its carrying amounts and are repayable within one year.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, equity prices and interest rates 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.

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 investment in unit trusts.

Sensitivity analysis – price risk

A 5% increase in the price of the investment in unit trusts at the reporting date would increase the net incoming resources by $4,805,938 (2016: $4,586,195); an equal change in the opposite direction would have decreased the Company's net incoming resources by $4,805,938 (2016: $4,586,195).

Interest rate risk

The Company's exposure to market risk for changes in interest rates relate primarily to fixed deposits placed with financial institutions which are regulated. The Company manages its interest rate risks by placing such balances on varying maturities and fixed interest rate terms.

As the Company has no variable rate financial assets, no sensitivity analysis has been presented.

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.

Accounting classification and fair values

The carrying amounts of financial assets and financial liabilities, including their levels in the fair value hierarchy are as follows. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

		Carrying amount				Fair value			
	Note	Loans and receivables $	Designated at fair value through profit or loss $	Other financial liabilities $	Total $	Level 1 $	Level 2 $	Level 3 $	Total $
31 March 2017									
Financial assets measured at fair value									
Investments	6	–	96,118,750	–	96,118,750	–	96,118,750	–	96,118,750
Financial assets not measured at fair value									
Interest receivables		300,394	–	–	300,394				
Cash and cash equivalents	7	29,501,022	–	–	29,501,022				
		29,801,416	–	–	29,801,416				
Financial liabilities not measured at fair value									
Other payables	9	–	–	(116,710)	(116,710)				
31 March 2016									
Financial assets not measured at fair value									
Investments	6	–	91,723,905	–	91,723,905	–	91,723,905	–	91,723,905
Financial assets not measured at fair value									
Interest receivables		93,709	–	–	93,709				
Cash and cash equivalents	7	34,285,825	–	–	34,285,825				
		34,379,534	–	–	34,379,534				
Financial liabilities not measured at fair value									
Other payables	9	–	–	(1,429,079)	(1,429,079)				

Measurement of fair values

Valuation techniques

The fair value of investments designated at fair value through profit or loss categorised under Level 2 of the fair value hierarchy are based on the net asset value in the fund managers' valuation reports at the reporting date and is derived from prices from an observable market.