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

Annual Report

Year ended 31 March 2019

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 2019.

In our opinion:

(a) the financial statements set out on pages FS1 to FS26 are drawn up so as to give a true and fair view of the financial position of the Company as at 31 March 2019 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:

Prof Lim Pin
Mrs Dorothy Chan
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 has no share option as it is limited by guarantee.

Change of auditors

The retiring auditors, KPMG LLP, will not be seeking re-appointment at the forthcoming Annual General Meeting in accordance with the change of auditors in the intermediate holding company. Ernst & Young LLP has expressed its willingness to accept appointment as auditors, so as to coincide with the change of auditors of intermediate holding company.

On behalf of the Board of Directors

Prof Lim Pin
Director

Mr Ng Tiak Soon
Director

26 June 2019

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 2019, 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 FS26.

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 2019 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 the Directors' statement 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.

KPMG

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 auditor's 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
Public Accountants and
Chartered Accountants

Singapore
26 June 2019

Statement of financial position
As at 31 March 2019

	Note	2019 $	2018 $
Assets			
Non-current assets			
Property, plant and equipment	4	27,935	48,675
Intangible assets	5	28,662	59,929
Investments	6	106,625,664	105,281,615
		106,682,261	105,390,219
Current assets			
Interest receivables		179,029	128,398
Other receivables		2,295	–
Cash and cash equivalents	7	15,733,099	19,413,008
		15,914,423	19,541,406
Total assets		122,596,684	124,931,625
Funds and liabilities			
Restricted fund		386,245	412,565
Unrestricted fund		121,421,111	124,475,983
Accumulated funds	8	121,807,356	124,888,548
Current liabilities			
Other payables	9	789,328	43,077
Total liabilities		789,328	43,077
Total funds and liabilities		122,596,684	124,931,625

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

Statement of comprehensive income
Year ended 31 March 2019

	Note	2019 Unrestricted Fund $	2019 Restricted Fund $	2019 Total $	2018 Unrestricted Fund $	2018 Restricted Fund $	2018 Total $
Incoming resources							
Incoming resources from generated funds:							
Voluntary income							
- Donations	10	5,497	1,000	6,497	1,677	25,200	26,877
Investment income	11	1,582,618	–	1,582,618	4,429,957	–	4,429,957
Total incoming resources		1,588,115	1,000	1,589,115	4,431,634	25,200	4,456,834
Resources expended							
Grants made	12	(4,348,977)	(27,221)	(4,376,198)	(5,295,324)	(7,682)	(5,303,006)
Governance and other costs	13	(242,102)	–	(242,102)	(177,417)	–	(177,417)
Depreciation of property, plant and equipment	4	(20,740)	–	(20,740)	(22,196)	–	(22,196)
Amortisation of intangible assets	5	(31,267)	–	(31,267)	(33,872)	–	(33,872)
Total resources expended		(4,643,086)	(27,221)	(4,670,307)	(5,528,809)	(7,682)	(5,536,491)
Net (resources expended)/incoming resources, representing total comprehensive (loss)/income for the year		(3,054,971)	(26,221)	(3,081,192)	(1,097,175)	17,518	(1,079,657)

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

Statement of changes in funds
Year ended 31 March 2019

	Unrestricted Fund	Restricted Fund				Total Accumulated Funds
	General Fund $	Gift of Mobility Programme $	Hearing Implant Programme $	Other Donation $	Total $	$
As at 1 April 2017	125,573,158	2,715	379,715	12,617	395,047	125,968,205
Total comprehensive loss for the year						
Net (resources expended)/incoming resources	(1,097,175)	(2,616)	(5,066)	25,200	17,518	(1,079,657)
Total comprehensive loss for the year	(1,097,175)	(2,616)	(5,066)	25,200	17,518	(1,079,657)
As at 31 March 2018	124,475,983	99	374,649	37,817	412,565	124,888,548
As at 1 April 2018	124,475,983	99	374,649	37,817	412,565	124,888,548
Total comprehensive loss for the year						
Net resources expended	(3,054,971)	–	(16,713)	(9,508)	(26,221)	(3,081,192)
Total comprehensive loss for the year	(3,054,971)	–	(16,713)	(9,508)	(26,221)`	(3,081,192)
Reclassification*	99	(99)	–	–	(99)	–
As at 31 March 2019	121,421,111	–	357,936	28,309	386,245	121,807,356

* In 2018, the Company reclassified $99 from restricted fund to unrestricted fund as the Gift of Mobility Programme has ceased on 31 March 2018.

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

Statement of cash flows
Year ended 31 March 2019

	Note	2019 $	2018 $
Cash flows from operating activities			
Net resources expended for the year		(3,081,192)	(1,079,657)
Adjustments for:			
Depreciation of property, plant and equipment	4	20,740	22,196
Amortisation of intangible assets	5	31,267	33,872
Interest income	11	(238,569)	(267,092)
Net change in fair value of financial assets designated at fair value through profit or loss	11	(1,344,049)	(4,162,865)
		(4,611,803)	(5,453,546)
Changes in other receivables		(2,295)	–
Changes in other payables		746,251	(73,556)
Net cash used in operating activities		(3,867,847)	(5,527,102)
Cash flows from investing activities			
Interest received		187,938	439,088
Additional contribution to investments		–	(5,000,000)
Net cash from/(used in) investing activities		187,938	(4,560,912)
Net decrease in cash and cash equivalents		(3,679,909)	(10,088,014)
Cash and cash equivalents at beginning of the year		19,413,008	29,501,022
Cash and cash equivalents at end of the year	7	15,733,099	19,413,008

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 26 June 2019.

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 four registered Corporate Members, namely National University Health System Pte. Ltd. ("NUHS"), National University Health Services Group Pte. Ltd. ("NUHSG"), MOH Holdings Pte. Ltd. and Agency for Integrated Care Pte. Ltd. NUHS is the administrator of the JurongHealth Fund. 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.

NUHSG is the proprietor of the following registered businesses, namely, Ng Teng Fong General Hospital, Jurong Community Hospital, Jurong Medical Centre, Alexandra Hospital 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").

This is the first set of the Company's annual financial statements in which FRS 115 *Revenue from Contracts with Customers* and FRS 109 *Financial Instruments* have been applied. Changes to significant accounting policies are described in note 2.5.

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 fall into 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.

2.5 Changes in accounting policies

The Company has applied the following FRSs, amendments to and interpretations of FRS for the first time for the annual period beginning on 1 April 2018:

- FRS 115 *Revenue from Contracts with Customers*; and
- FRS 109 *Financial Instruments*.

Other than FRS 109, the adoption of these FRSs, amendments to standards and interpretations did not have a material effect on the Company's statement of financial position.

Due to the transition methods chosen by the Company in applying these standards, comparative information throughout these financial statements has not been restated to reflect the requirements of the new standards.

The effect of initially applying these standards is mainly attributed to the decrease in impairment losses recognised on financial assets.

FRS 109 Financial instruments

FRS 109 *Financial Instruments* sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. It also introduces a new 'expected credit loss' (ECL) model and a new general hedge accounting model. The Company adopted FRS 109 from 1 April 2018.

The Company has used an exemption not to restate comparative information for prior periods with respect to classification and measurement (including impairment) requirements. Accordingly, the information presented for 2018 does not generally reflect the requirements of FRS 109, but rather those of FRS 39.

The Company has adopted consequential amendments to FRS 107 *Financial Instruments: Disclosures* that are applied to disclosures about 2019 but have not been generally applied to comparative information.

Changes in accounting policies resulting from the adoption of FRS 109 have been applied by the Company retrospectively, except as described below.

The following assessments have been made on the basis of the facts and circumstances that existed at the date of initial application.

- The determination of the business model within which a financial asset is held.
- The designation and revocation of previous designations of certain financial assets and financial liabilities as measured at fair value through profit or loss ("FVTPL").
- The designation of certain investments in equity instruments not held for trading as at fair value through other comprehensive income ("FVOCI").

(i) Classification of financial assets and financial liabilities

Under FRS 109, financial assets are classified in the following categories: measured at amortised cost, or FVTPL. The classification of financial assets under FRS 109 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. FRS 109 eliminates the previous FRS 39 categories of held-to-maturity, loans and receivables and available-for-sale.

FRS 109 largely retains the existing requirements in FRS 39 for the classification and measurement of financial liabilities.

The adoption of FRS 109 has not had a significant effect on the Company's accounting policies for financial liabilities.

For an explanation of how the Company classifies and measures financial instruments and accounts for related gains and losses under FRS 109, see note 3.1.

The following tables and the accompanying notes below explain the original measurement categories under FRS 39 and the new measurement categories under FRS 109 for each class of the Company's financial assets and financial liabilities as at 1 April 2018.

The effect of adopting FRS 109 on the carrying amounts of financial asset at 1 April 2018 relates solely to the new impairment requirements.

	Note	**Original classification under FRS 39**	**New classification under FRS 109**
Financial assets			
Investments	(a)	Designated as at FVTPL	Mandatorily at FVTPL
Interest receivables		Loans and receivables	Amortised cost
Cash and cash equivalents		Loans and receivables	Amortised cost
Total financial assets			

a) Under FRS 39, these equity investments were designated as at FVTPL because they were managed on a fair value basis and their performance was monitored on this basis. These assets have been classified as mandatorily measured under FVTPL under FRS 109.

The adoption of FRS 109 and the resultant change in classification of the financial assets has no effect on the carrying amount of financial assets as at 1 April 2018.

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, except as explained in note 2.5, and have been applied consistently by the Company.

3.1 Financial instruments

(i) Recognition and initial measurement

Non-derivative financial assets and financial liabilities

Financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue.

(ii) Classification and subsequent measurement

Non-derivative financial assets – Policy applicable from 1 April 2018

On initial recognition, a financial asset is classified as measured at: amortised cost or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at FVTPL

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Business model assessment – Policy applicable from 1 April 2018

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Financial assets that are held-for-trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Non-derivative financial assets: Assessment whether contractual cash flows are solely payments of principal and interest – Policy applicable from 1 April 2018

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;

Non-derivative financial assets: Subsequent measurement and gains and losses – Policy applicable from 1 April 2018

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Non-derivative financial assets – Policy applicable before 1 April 2018

The Company classifies non-derivative financial assets into the following categories: financial assets at fair value through profit or loss and loans and receivables.

Non-derivative financial assets: Subsequent measurement and gains and losses – Policy applicable before 1 April 2018

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: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Directly attributable transaction costs are recognised in profit or loss as incurred.

Other financial liabilities are initially measured at fair value less directly attributable transaction costs. They are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. These financial liabilities comprised loans and borrowings, bank overdrafts, and trade and other payables.

(iii) Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

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 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) Policy applicable from 1 April 2018

Non-derivative financial assets

The Company recognises loss allowances for ECLs on financial assets measured at amortised costs.

Loss allowances of the Company are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument or contract asset.

Simplified approach

The Company applies the simplified approach to provide for ECLs for all trade receivables. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs.

General approach

The Company applies the general approach to provide for ECLs on all other financial assets. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECLs at initial recognition.

At each reporting date, the Company assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and includes forward-looking information.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

The Company considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held) or the financial asset is more than 90 days past due.

Measurement of ECLs

ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECLs in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of these assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

(ii) Policy applicable before 1 April 2018

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.

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 interpretations and amendments to standards are effective for annual periods beginning after 1 April 2018 and earlier application is permitted; however, none of these are expected to have a significant effect on the financial statements of the Company.

4 Property, plant and equipment

	Computer Equipment $	Fixtures $	Total $
Cost			
At 1 April 2017	53,912	22,363	76,275
Adjustment*	(77)	–	(77)
At 31 March 2018 / 31 March 2019	53,835	22,363	76,198
Accumulated depreciation			
At 1 April 2017	202	5,125	5,327
Depreciation charge for the year	19,401	2,795	22,196
At 31 March 2018	19,603	7,920	27,523
Depreciation charge for the year	17,945	2,795	20,740
At 31 March 2019	37,548	10,715	48,263
Carrying amounts			
At 1 April 2017	53,710	17,238	70,948
At 31 March 2018	34,232	14,443	48,675
At 31 March 2019	16,287	11,648	27,935

* The adjustment of $77 was an over-accrual of capital expenditure for computer equipment in FY2016.

5 Intangible assets

	Computer software $
Cost	
At 1 April 2017, 31 March 2018 and 31 March 2019	115,519
Accumulated amortisation	
At 1 April 2017	21,718
Amortisation charge for the year	33,872
At 31 March 2018	55,590
Amortisation charge for the year	31,267
At 31 March 2019	86,857
Carrying amounts	
At 1 April 2017	93,801
At 31 March 2018	59,929
At 31 March 2019	28,662

6 Investments

	2019 $	2018 $
Non-current investments		
Financial assets designated at fair value through profit and loss		
- Unit trusts	106,625,664	105,281,615
Represented by:		
Cost	96,000,000	96,000,000
Cumulative net change in fair value	10,625,664	9,281,615
	106,625,664	105,281,615

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

	2019 $	2018 $
Cash at bank	1,007,244	878,856
Fixed deposits	14,725,855	18,534,152
	15,733,099	19,413,008

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

	2019	2018
Fixed deposits	1.28% - 1.87%	1.10% - 1.28%

Interest rates reprice at intervals of ten to seventeen months.

8 Accumulated funds

	2019 $	2018 $
Accumulated funds		
Restricted funds		
- Gift of Mobility Programme	–	99
- Hearing Implant Programme	357,936	374,649
- Other donation	28,309	37,817
	386,245	412,565
Unrestricted funds		
- General Fund	121,421,111	124,475,983
	121,807,356	124,888,548

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 Ng Teng Fong General Hospital's financially needy patients, who require point-to-point taxi-transfer services.

(b) *Hearing Implant Programme*

Donations were received from both Far East Organization and a director of JurongHealth Fund 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

	2019 $	2018 $
Accrued audit fees	6,269	6,206
Accrued operating expenses	69,604	3,745
Amounts due to immediate holding company	713,455	33,126
	789,328	43,077

The amounts due to immediate 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. The amount was fully repaid in April 2019.

10 Donations

	2019 $	2018 $
Donations with tax-exempt receipts issued	6,339	26,285
Donations without tax-exempt receipts issued	158	592
	6,497	26,877

11 Investment income

	2019 $	2018 $
Interest income	238,569	267,092
Net change in fair value of financial assets		
– Mandatorily measured at FVTPL	1,344,049	–
– Designated as FVTPL	–	4,162,865
	1,582,618	4,429,957

12 Grants made

The Company has awarded grants in relation to the programmes and initiatives undertaken by Ng Teng Fong General Hospital, Jurong Community Hospital, and Jurong Medical Centre. 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 2019								**Outstanding commitment as at 31 March 2019**	
Strategic objectives	**Outstanding commitment as at 1 April 2018 $**	**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 2019 $**	**Within 1 year $**	**After 1 year $**
Needy Patients	358,432	350,000	1,500	709,932	(132,029)	(455)	577,448	272,515	304,933
Community Care	13,345,162	–	–	13,345,162	(1,259,203)	(462,044)	11,623,915	2,609,426	9,014,489
Education	18,368,350	30,000	–	18,398,350	(2,582,505)	(113,668)	15,702,177	3,030,000	12,672,177
Pilot Projects	39,250	60,000	–	99,250	(35,297)	(25,583)	38,370	38,370	–
Research	1,774,336	–	–	1,774,336	(367,164)	–	1,407,172	1,407,172	–
Total	33,885,530	440,000	1,500	34,327,030	(4,376,198)	(601,750)	29,349,082	7,357,483	21,991,599

31 March 2018								**Outstanding commitment as at 31 March 2018**	
Strategic objectives	**Outstanding commitment as at 1 April 2017 $**	**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 2018 $**	**Within 1 year $**	**After 1 year $**
Needy Patients	365,808	50,000	5,000	420,808	(62,310)	(66)	358,432	358,432	–
Community Care	15,767,876	–	(300,000)	15,467,876	(1,893,957)	(228,757)	13,345,162	2,715,835	10,629,327
Education	22,520,208	–	(1,542,379)	20,977,829	(2,609,479)	–	18,368,350	5,074,778	13,293,572
Pilot Projects	55,000	–	–	55,000	(15,750)	–	39,250	39,250	–
Research	2,497,788	–	–	2,497,788	(721,510)	(1,942)	1,774,336	708,496	1,065,840
Total	41,206,680	50,000	(1,837,379)	39,419,301	(5,303,006)	(230,765)	33,885,530	8,896,791	24,988,739

13 Governance and other costs

	2019 $	2018 $
Manpower cost recharged by immediate holding company	156,975	124,717
Audit fee		
- External	6,206	6,206
- Internal	15,039	11,837
Annual report design work	5,323	4,686
Corporate gifts	1,136	–
Entertainment	2,123	–
Expenses incurred for JHF event	23,297	–
Repair & maintenance fee for computer software	30,324	28,591
Others	1,679	1,380
	242,102	177,417

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 National University Health Services Group Pte Ltd, at nil consideration.

15 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.

Impairment on cash and cash equivalents has been measured 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 amount of the allowance on cash and cash equivalents was negligible.

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 $5,331,283 (2018: $5,264,081); an equal change in the opposite direction would have decreased the Company's net incoming resources by $5,331,283 (2018: $5,264,081).

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 estimation of 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	Fair value through profit or loss $	Amortised cost $	Other financial liabilities $	Total $	Level 1 $	Level 2 $	Level 3 $	Total $
31 March 2019									
Financial assets measured at fair value									
Investments	6	106,625,664	–	–	106,625,664	–	106,625,664	–	106,625,664
Financial assets not measured at fair value									
Interest receivables		–	179,029	–	179,029				
Other receivables		–	2,295	–	2,295				
Cash and cash equivalents	7	–	15,733,099	–	15,733,099				
		–	15,914,423	–	15,914,423				
Financial liabilities not measured at fair value									
Other payables	9	–	–	(789,328)	(789,328)				
		Designated at fair value through profit or loss $	**Loans and receivables $**	**Other financial liabilities $**	**Total $**				
31 March 2018									
Financial assets measured at fair value									
Investments	6	105,281,615	–	–	105,281,615	–	105,281,615		105,281,615
Financial assets not measured at fair value									
Interest receivables		–	128,398	–	128,398				
Cash and cash equivalents	7	–	19,413,008	–	19,413,008				
		–	19,541,406	–	19,541,406				
Financial liabilities not measured at fair value									
Other payables	9	–	–	(43,077)	(43,077)				

Measurement of fair values

Valuation techniques

The fair value of investments measured 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.