

Registration No. 202010012C

National Skin Centre Health Fund
(A Company limited by guarantee)

Annual Financial Statements
31 March 2024



National Skin Centre Health Fund

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National Skin Centre Health Fund

Directors' statement

The directors are pleased to present their statement to the members together with the audited financial statements of National Skin Centre Health Fund (the "Company") for the financial year ended 31 March 2024.

Opinion of the directors

In the opinion of the directors,

- (a) the financial statements of the Company are drawn up so as to give a true and fair view of the financial position of the Company as at 31 March 2024 and the financial performance, changes in funds and cash flows of the Company for the financial year ended on that date; 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.

Directors

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

Tan Beng Neo Eunice (Chairman)
Lim Yean Teng
Lee Lai Heng
Seow Choke Meng
Lim Siew Wah Grace
Vijayaletchimi D/O Egamparam

Directors' interests

The Company has no share capital and its members' liabilities are limited by guarantee. Accordingly, the directors do not hold any interest in the Company. According to the register kept by the Company under Section 164 of the Companies Act 1967, no director who held office at the end of the financial year (including those held by their spouses and children) had interests in shares, debentures, warrants and share options of the Company, or of related corporations, either at the beginning of the financial year or at the end of the financial year.

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 the Company or any other body corporate.

Share options

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

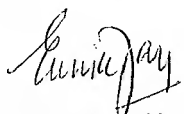
National Skin Centre Health Fund

General information

Auditor

Ernst & Young LLP have expressed their willingness to accept re-appointment as auditor.

On behalf of the Board of Directors



Tan Beng Neo Eunice
Chairman



Lim Yean Teng
Director

Singapore
17 July 2024

National Skin Centre Health Fund

Independent auditor's report For the financial year ended 31 March 2024

Independent auditor's report to the members of National Skin Centre Health Fund

Report on the audit of the financial statements

Opinion

We have audited the financial statements of National Skin Centre Health Fund (the "Company"), which comprise the balance sheet as at 31 March 2024, the statement of comprehensive income, statement of changes in funds and statement of cash flows of the Company for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Companies Act 1967"), the Charities Act 1994 and other relevant regulations (the "Charities Act 1994 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 2024 and of the financial performance, changes in funds and cash flows of the Company for the financial 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 *Auditor's 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 ("ACRA") *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 other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

National Skin Centre Health Fund

Independent auditor's report For the financial year ended 31 March 2024

Independent auditor's report to the members of National Skin Centre Health Fund

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

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Companies Act 1967, the Charities Act 1994 and Regulations and FRSSs, 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 Fund or to cease operations, or has no realistic alternative but to do so.

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

Auditor's 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 auditor's 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 control.
- Obtain an understanding of internal control 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 control.
- 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. When such use is inappropriate and management uses an alternative basis of accounting, we conclude on the appropriateness of management's use of the alternative basis of accounting. We also evaluate the adequacy of the disclosures describing the alternative basis of accounting and reasons for its use. Our conclusions are based on audit evidence obtained up to the date of our auditor's report.

National Skin Centre Health Fund

**Independent auditor's report
For the financial year ended 31 March 2024**

Independent auditor's report to the members of the Fund Committee of National Skin Centre Health Fund

Auditor's responsibilities for the audit of the financial statements (cont'd)

- 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 in 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 control 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 1967 and the Charities Act 1994 and Regulations.

During the course of our audit, nothing has come to our attention that causes us to believe that during the financial 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.

Ernst & Young LLP

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore

17 July 2024

National Skin Centre Health Fund

**Balance sheet
As at 31 March 2024**

	Note	2024 \$	2023 \$
Assets			
Non-current asset			
Investment property	4	1,430,000	1,400,000
Non-current asset		<u>1,430,000</u>	<u>1,400,000</u>
Current assets			
Interest receivable		6,923	25,450
Other receivable		6,769	3,056
Deposit		250	250
Prepayment		294	282
Cash and bank balances	5	2,470,763	2,402,169
Current assets		<u>2,484,999</u>	<u>2,431,207</u>
Total assets		<u><u>3,914,999</u></u>	<u><u>3,831,207</u></u>
Liabilities			
Current liabilities			
Other payables		11,185	12,289
Deposit payable		3,300	3,000
Deferred income		–	97
Current and total liabilities		<u>14,485</u>	<u>15,386</u>
Net assets		<u>3,900,514</u>	<u>3,815,821</u>
Represented by:			
Accumulated fund		<u>3,900,514</u>	<u>3,815,821</u>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

National Skin Centre Health Fund

Statement of comprehensive income
For the financial year ended 31 March 2024

	Note	2024 \$	2023 \$
Income			
Donation income	6	38,746	15,565
Interest income		66,633	25,450
Rental income	4	19,084	28,967
Gain in fair value of investment property	4	30,000	80,000
Total incoming resources		154,463	149,982
Resources expended			
Charitable expenses		(52,985)	(50,557)
Governance costs		(3,731)	(3,216)
Other operating expenses		(13,054)	(8,719)
Total resources expended		(69,770)	(62,492)
Net incoming resources, representing total comprehensive income for the year		84,693	87,490

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

National Skin Centre Health Fund

Statement of changes in funds For the financial year ended 31 March 2024

	Unrestricted fund \$
At 1 April 2022	3,728,331
Net incoming resources for the year, representing total comprehensive income for the year	87,490
At 31 March 2023	<u>3,815,821</u>
At 1 April 2023	3,815,821
Net incoming resources for the year, representing total comprehensive income for the year	84,693
At 31 March 2024	<u>3,900,514</u>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

National Skin Centre Health Fund

**Statement of cash flows
For the financial year ended 31 March 2024**

	Note	2024 \$	2023 \$
Cash flows from operating activities			
Net incoming resources		84,693	87,490
Adjustments for:			
Fair value gain on investment property	4	(30,000)	(80,000)
Interest income		(66,633)	(25,450)
Operating cash flows before changes in working capital		(11,940)	(17,960)
Changes in working capital:			
Other receivable		(3,713)	(3,046)
Deposit and prepayment		(12)	(532)
Other payables		(1,104)	(10,278)
Deposit payable and deferred income		203	32
Net cash flows used in operating activities		(16,566)	(31,784)
Cash flows from investing activity			
Interest received		85,160	-
Net cash flows generated from investing activity		85,160	-
Net increase/(decrease) in cash and cash equivalents		68,594	(31,784)
Cash and cash equivalents at beginning of the financial year		102,169	133,953
Cash and cash equivalents at end of the financial year	5	170,763	102,169

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

National Skin Centre Health Fund

Notes to the financial statements For the financial year ended 31 March 2024

1. Corporate information

National Skin Centre Health Fund (the "Company") was established on 27 March 2020. The objectives of the Company is to support the pursuit of medical research and development and improvement to health services in Singapore with the donations received, and to provide funded care to patients determined to be in need of financial assistance.

The Company is incorporated in Singapore as a company limited by guarantee and domiciled in the Republic of Singapore. The registered office of the Company is located at 1 Mandalay Road, National Skin Centre, Singapore 308205.

With effect from 20 August 2020, the Company has been registered as a Charity under the Charities Act 1994. The Company is an Institution of a Public Character ("IPC") in accordance with the Income Tax Act 1947. The Company was granted renewal of its IPC status for a period of 3 years from 30 September 2021 to 29 September 2024.

The Company has two registered Corporate Members and one individual member, namely National Healthcare Group Pte Ltd ("NHG"), National Skin Centre (Singapore) Pte Ltd ("NSC") and Ms Tan Beng Neo Eunice respectively. NSC and NHG are the immediate holding and intermediate holding companies of the Company respectively. The ultimate controlling party is Minister for Finance¹. NSC and NHG are companies incorporated in the Republic of Singapore.

2. Material accounting policy information

2.1 Basis of preparation

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

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

These financial statements are presented in Singapore dollars ("S\$"), which is the Company's functional currency.

The financial statements of the Company have been prepared on the basis that it will continue to operate as a going concern.

2.2 Adoption of new and amended standards

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Company has adopted all the new and amended standards which are relevant to the Company and are effective for annual financial period beginning on or after 1 April 2023.

Except for the below, the adoption of these standards did not have any material effect on the financial performance or position of the Company.

¹ Under the Singapore Minister for Finance (Incorporation) Act 1959, the Minister for Finance is a body corporate.

2. **Material accounting policy information (cont'd)**

2.2 **Adoption of new and amended standards and interpretations (cont'd)**

Amendments to FRS 1 and FRS Practice Statement 2: *Disclosure of Accounting Policies*

The amendments to FRS 1 and FRS Practice Statement 2 *Making Materiality Judgements* provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments have an impact on the Company's disclosure of accounting policies, but not on the measurement, recognition or presentation of any items in the Company's financial statements.

2.3 **Standards issued but not yet effective**

The Company has not adopted the following standard applicable to the Company that has been issued but is not yet effective:

<i>Description</i>	<i>Effective for annual periods beginning on or after</i>
Amendments to FRS 1: Classification of Liabilities as Current or Non-current	1 January 2024

The directors expect that the adoption of the standard above will have no material impact on the financial statements in the year of initial application.

2.4 **Investment property**

Investment property is property held to earn rental income, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment property is measured at cost on initial recognition and subsequently at fair value with any change therein recognised in the statement of comprehensive income.

Cost includes expenditure that is directly attributable to the acquisition of the investment property.

2.5 **Financial instruments**

(a) ***Non-derivative financial assets***

Classification and measurement

The Company classifies its financial assets at amortised cost.

The classification depends on the Company's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset.

The Company reclassifies financial assets when and only when its business model for managing those assets changes.

National Skin Centre Health Fund

Notes to the financial statements For the financial year ended 31 March 2024

2. Material accounting policy information (cont'd)

2.5 Financial instruments (cont'd)

(a) *Non-derivative financial assets (cont'd)*

At initial recognition

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset.

All other financial assets are recognised initially on the trade date, which is the date that Company becomes a party to the contractual provisions of the instrument.

At subsequent measurement

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in income and expenditure when the assets are derecognised or impaired, and through the amortisation process.

(b) *Cash and cash equivalents*

Cash and cash equivalents comprise cash and bank balances and deposits with financial institutions that are subject to an insignificant risk of changes in their fair values, and are used by the Company in the management of its short-term commitments.

(c) *Non-derivative financial liabilities*

At initial recognition

The Company initially recognises all non-derivative financial liabilities on the trade date, which is the date that the Company becomes a party to the contractual provisions of the instrument.

Non-derivative financial liabilities are initially measured at fair value less directly attributable transaction costs.

At subsequent measurement

Such 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. These financial liabilities comprised other payables.

(d) *Derecognition*

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or when 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.

2. Material accounting policy information (cont'd)

2.5 Financial instruments (cont'd)

(d) ***Derecognition (cont'd)***

Financial liabilities

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

2.6 Leases

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising from operating leases on the Company's investment property is accounted for on a straight-line basis over the lease terms and is included in income in the statement of comprehensive income due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as income in the period in which they are earned.

2.7 Impairment of financial assets

Non-derivative financial assets

The Company recognises loss allowances for expected credit losses ("ECLs") on financial assets measured at amortised cost. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all cash flows the Company expects to receive, discounted at an approximation of the original effective interest rates.

Allowances 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.

General approach

The Company applies the general approach to provide for ECLs on all other financial instruments. 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 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.

2. Material accounting policy information (cont'd)

2.7 Impairment of financial assets (cont'd)

General approach (cont'd)

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 including forward-looking information.

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 remain outstanding for more than 365 days, taking into consideration historical payment track records, current macroeconomics situation as well as the general industry trend;
- 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.

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 365 days past due, taking into consideration historical payment track records, current macroeconomics situation as well as the general industry trend.

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 maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Presentation of allowance for ECLs in the balance sheet

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.

2. Material accounting policy information (cont'd)

2.8 *Income recognition*

Donation income

Donations, other than those specified below, are recognised in surplus or deficit in the period of receipt or when the receipt of the amount is certain.

Rental income

Rental income from investment property are recognised over time on a straight-line basis over the term of the lease.

Interest income

Interest income from fixed deposits is accrued, using the effective interest method on the principal outstanding and at the rate applicable.

2.9 *Tax*

The Company is an approved charity organisation under the Charities Act 1994. No provision for taxation has been made in the financial statements as the Company is a registered charity with income tax exemption.

3. Significant accounting estimates and judgements

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

Judgement, estimates, and the underlying assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The judgements and other uncertainties affecting application of those policies and the sensitivity of reported results to changes in condition and assumptions are factors to be considered when reviewing the financial statements. The Company believes the following material accounting policies involve the most significant judgements and estimates used in the preparation of the financial statements.

Measurement of fair value on investment property

The Company carries its investment property at fair value, with changes in fair value being recognised in the statement of profit or loss. Please refer to Note 4 – Investment property for the information about the measurement of fair values and the assumptions made in measuring fair values.

National Skin Centre Health Fund

Notes to the financial statements For the financial year ended 31 March 2024

4. Investment property

	2024	2023
	\$	\$
At beginning of the financial year	1,400,000	1,320,000
Fair value gain recognised in profit or loss	30,000	80,000
	<hr/>	<hr/>
At the end of the financial year	1,430,000	1,400,000
	<hr/>	<hr/>

Investment property comprises a freehold apartment located at 2 Minbu Road #11-01 leased to National Skin Centre's foreign visiting fellows or medical trainees. Each lease contract does not contain any initial non-cancellable period. Subsequent renewals are negotiated with the lessees at prevailing market rental rates. No contingent rents are charged.

Rental income and direct operating expenses amounting to \$19,084 (2023: \$28,967) and \$13,054 (2023: \$8,095) respectively were recognised in the statement of comprehensive income for the financial year ended 31 March 2024 in respect of the investment property.

As at 31 March 2024, the estimated fair value of the investment property is approximately \$1,430,000 (2023: \$1,400,000) based on open market valuation appraised by an independent professional valuer. The valuer adopted a valuation method based on recently transacted units in the vicinity and took into account other unit specific differences.

5. Cash and bank balances

	2024	2023
	\$	\$
Fixed deposits placed with financial institutions	2,300,000	2,300,000
Cash at bank	170,763	102,169
	<hr/>	<hr/>
	2,470,763	2,402,169
	<hr/>	<hr/>
Less:		
Fixed deposits placed with financial institutions	(2,300,000)	(2,300,000)
	<hr/>	<hr/>
Cash and cash equivalents	170,763	102,169
	<hr/>	<hr/>

The effective interest rates per annum are as follows:

	2024	2023
	%	%
Fixed deposits placed with financial institutions	2.90	2.70 – 2.95
	<hr/>	<hr/>

Interest rates for fixed deposits with banks are repriced at regular intervals within a year. All other cash balances are non-interest bearing.

National Skin Centre Health Fund

Notes to the financial statements For the financial year ended 31 March 2024

6. Donation income

	2024	2023
	\$	\$
Tax deductible donations	37,586	12,896
Other donations	1,160	2,669
	<u>38,746</u>	<u>15,565</u>

7. Income taxes

There is no tax charge for the current and previous financial period. The Company is a registered charity and an Institutions of Public Character, which has been exempted from tax with effect from the Year of Assessment 2022.

8. Financial risk management

Overview

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

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 bank balances.

The carrying amount of financial assets in the balance sheet represents the Company's maximum exposure to credit risk. The Company does not hold any collateral in respect of its financial assets.

Cash and bank balances are placed with financial institutions which are regulated. Impairment on cash and bank balances 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 bank balances have low credit risk based on the external credit ratings of the counterparties. The amount of the ECL impairment on cash and bank balances was insignificant to provide.

Liquidity risk

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

8. Financial risk management (cont'd)

Liquidity risk (cont'd)

The Company monitors its liquidity risk and maintains a level of cash and bank balances deemed adequate by the Company to finance the Company's operations and to mitigate the effects of fluctuations in cash flows. The expected contractual undiscounted cash outflows of other payables and deposit payable approximate their carrying values and are due within one year.

Accounting classifications and estimation of fair values

Fair values versus carrying amounts

The carrying amounts of financial assets and liabilities have a maturity of less than one year (including interest receivable, other receivable, deposit, cash and bank balances, deposit payable and other payables) approximate their fair values because of the short period to maturity.

Measurement of fair value

The Company's accounting policies and disclosures on investment property require the determination of fair value. Fair values have been determined for measurement and/or disclosure purposes based on the following method. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Fair value hierarchy

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

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

8. Financial risk management (cont'd)

Accounting classifications and estimation of fair values (cont'd)

Fair value hierarchy (cont'd)

Investment property

An external, independent valuation company, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued, values the Company's investment property every year. The fair values are based on market values (i.e. market comparison approach), being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably. Such valuation is based on price per square meter for the buildings derived from observable market data from an active and transparent market.

	Note	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
31 March 2024					
Investment property	4	–	1,430,000	–	1,430,000
31 March 2023					
Investment property	4	–	1,400,000	–	1,400,000

9. 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 directors are considered as key management personnel of the Company. The directors did not receive any remuneration in the financial year (2023: Nil).

10. Authorisation of financial statements for issue

The financial statements for the financial year ended 31 March 2024 were authorised for issue by the directors on 17 July 2024.