National Healthcare Group Fund
(formerly known as National Healthcare Group Fund Limited)
(A Company limited by guarantee)
Registration Number: 201623926M
(Registered under the Companies Act, Chapter 50)

Annual Report
Year ended 31 March 2018

KPMG LLP (Registration No. T08LL1267L), an accounting limited liability partnership registered in Singapore under the Limited Liability Partnership Act (Chapter 163A) and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

Directors' statement

In our opinion,

(a) the financial statements set out on pages FS1 to FS15 are drawn up so as to give a true and fair view of the financial position of the Company as at 31 March 2018 and the financial performance 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 Singapore 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.

Change of the Company's name

On 22 January 2018, the Company changed its name from National Healthcare Group Fund Limited to National Healthcare Group Fund.

Directors

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

Chan Kwai Wah Paul (Chairman)
Heng Lee Cheng
Choo Wee Jin Philip
Liang Shih Tyh

Directors' interests

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

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

Share options

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

Auditors

The auditors, KPMG LLP, have expressed their willingness to accept appointment.

On behalf of the Board of Directors

Chan Kwai Wah Paul
Chairman

Choo Wee Jin Philip
Director

26 July 2018

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Independent auditors' report

Members of the Company
National Healthcare Group Fund
(Formerly known as National Healthcare Group Fund Limited)

Report on the audit of the financial statements

Opinion

We have audited the financial statements of National Healthcare Group Fund (formerly known as National Healthcare Group Fund Limited) ("the Company"), which comprise the balance sheet as at 31 March 2018, the statement of comprehensive income and expenditure 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 FS15.

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

Basis for opinion

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

Other information

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

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

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

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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, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Companies Act, the Charities Act and Regulations and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal controls.

- 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 to cause us to believe that during the year:

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

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

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
26 July 2018

Balance sheet
As at 31 March 2018

	Note	2018 $	2017 $
Non-current assets			
Other investments	4	15,102,976	–
Current assets			
Other receivables	5	138,578	100,827
Interest receivables		96,877	–
Cash and cash equivalents	6	18,116,828	30,541,012
		18,352,283	30,641,839
Total assets		33,455,259	30,641,839
Current liabilities			
Other payables	7	2,800	108,009
Accrued charitable expenses		509,032	696,756
Accrued operating expenses		13,028	12,840
Current and total liabilities		524,860	817,605
Net assets		32,930,399	29,824,234
Accumulated funds			
Restricted fund			
Lee Foundation-NHG Lifetime Achievement	8	50,000	50,000
Unrestricted fund			
General fund		32,880,399	29,774,234
Total funds		32,930,399	29,824,234

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

Statement of comprehensive income and expenditure
Year ended 31 March 2018

	Note	Year ended 31/3/2018			Period from 1/9/2016 (date of incorporation) to 31/3/2017		
		Restricted Fund $	Unrestricted Fund $	Total Funds $	Restricted Fund $	Unrestricted Fund $	Total Funds $
Income							
Incoming resources from generated funds:							
- Donation income	9	–	3,907,137	3,907,137	–	–	–
- Interest income		–	179,339	179,339	–	–	–
Total incoming resources		–	4,086,476	4,086,476	–	–	–
Expenditure							
Charitable activities							
Grants made		–	(1,038,047)	(1,038,047)	–	–	–
Governance costs		–	(45,240)	(45,240)	–	(12,840)	(12,840)
Total resources expended		–	(1,083,287)	(1,083,287)	–	(12,840)	(12,840)
Finance income							
Net change in fair value of financial assets designated at fair value through income and expenditure		–	102,976	102,976	–	–	–
Total finance income		–	102,976	102,976	–	–	–
Net incoming/(outgoing) resources representing total comprehensive income for the year/period		–	3,106,165	3,106,165	–	(12,840)	(12,840)
Accumulated fund brought forward		50,000	29,774,234	29,824,234	–	–	–
Transfer from National Healthcare Group Endowment Fund	11	–	–	–	50,000	29,787,074	29,837,074
Accumulated fund carried forward		50,000	32,880,399	32,930,399	50,000	29,774,234	29,824,234

A separate statement of changes in accumulated funds has not been prepared as the total comprehensive income and expenditure for the year/period would be the only component of this statement.

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

Statement of cash flows
Year ended 31 March 2018

	Note	Year ended 31/3/2018 $	Period from 1/9/2016 (date of incorporation) to 31/3/2017 $
Operating activities			
Net incoming/(outgoing) resources		3,106,165	(12,840)
Adjustments for:			
Interest income		(179,339)	–
Net change in fair value of financial assets designated at fair value through income and expenditure		(102,976)	–
		2,823,850	(12,840)
Change in working capital:			
Amounts due from:			
- Immediate holding company		(37,751)	–
Amounts due to:			–
- Immediate holding company		(80,353)	–
- Related companies		(24,856)	–
Accrued charitable expenses		(187,724)	–
Accrued operating expenses		188	12,840
Cash flows from operating activities		2,493,354	–
Investing activities			
Interest received		82,462	–
Investment in unit trusts		(15,000,000)	–
Cash flows used in investing activities		(14,917,538)	–
Net decrease in cash and cash equivalents		(12,424,184)	–
Cash and cash equivalents at beginning of the year/period		30,541,012	–
Cash transferred from National Healthcare Group Endowment Fund	11	–	30,541,012
Cash and cash equivalents at end of the year/period	6	18,116,828	30,541,012

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 July 2018.

1 Domicile and activities

National Healthcare Group Fund (formerly known as National Healthcare Group Fund Limited) (the "Company") was incorporated on 1 September 2016. The objectives of the Company are to receive donations towards the pursuit of medical research and the promotion, development and provision of health related services that benefit the Singapore Community.

The Company is incorporated in Singapore as a company limited by guarantee. The address of the Company's registered office is 3 Fusionopolis Link, #03-08, Nexus@One-north, Singapore 138543.

With effect from 14 February 2017, National Healthcare Group Fund 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, Chapter 134. The Company was granted renewal of its IPC status for a period of 3 years from 14 February 2018 to 13 February 2021.

The Company has two registered Corporate Members and one individual member, namely National Healthcare Group Pte Ltd ("NHG"), MOH Holdings Pte Ltd ("MOHH") and Mdm Kuok Oon Kwong respectively. NHG and MOHH are the immediate and intermediate holding companies of National Healthcare Group Fund respectively. The ultimate controlling party is Minister for Finance. NHG and MOHH are companies incorporated in the Republic of Singapore.

2 Basis of preparation

2.1 Statement of compliance

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

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

2.4 Use of estimates and judgements

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

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

2.5 Changes in accounting policies

Adoption of new and revised FRSs

With effect from 1 April 2017, the Company has adopted all the new and revised FRSs and interpretations that are effective for financial years beginning on 1 April 2017. The adoption of these FRSs and interpretations has no significant impact to the Company's financial statements.

3 Significant accounting policies

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

3.1 Financial assets

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 other receivables, interest receivables and cash and cash equivalents.

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

Financial assets at fair value through income and expenditure

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

Financial assets designated at fair value through income and expenditure comprise investment in unit trusts.

Impairment of loans and receivables

A financial asset not carried at fair value through income and expenditure is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect 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, the disappearance of an active market for a security.

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

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in income and expenditure and reflected in an allowance account against loan and receivables. Interest on the impaired asset continues to be recognised. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through income and expenditure.

3.2 Financial liabilities

A financial liability is recognised initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

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

The Company classifies non-derivative financial liabilities into other financial liabilities.

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

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

Financial liabilities comprise other payables, accrued charitable expenses and accrued operating expenses.

3.3 Income recognition

Donation income

Donations are recognised in income and expenditure in the accounting period of receipt.

Interest income

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

3.4 Tax expense

The Company is an approved charity organisation under the 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.

3.5 Adoption of new standards

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

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

Applicable to 2019 financial statements

FRS 109 *Financial Instruments*

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

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

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

Classification and measurement

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

- For financial assets currently held at fair value, the Company expects to continue measuring these assets at fair value under IFRS 9.

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

Impairment

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

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

- 12-month ECLs. These are ECLs that result from possible default events within the 12 months after the reporting date; or

- Lifetime ECLs. These are ECLs that result from all possible default events over the expected life of a financial instrument.

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

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

Interest and other receivables

The estimated ECLs were calculated based on actual credit loss experience during the year.

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

Cash and cash equivalents

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

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

The Company does not expect a significant financial impact on the application of FRS 109's impairment requirements on cash and cash equivalents as at 1 April 2018.

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

4 Other investments

	2018 $	2017 $
Non-current		
Financial assets designated at fair value through income and expenditure		
- Unit trusts	15,102,976	–

The unit trusts are set up by reputable fund managers appointed by MOH Holdings Pte Ltd to pool funds from MOH Holdings and subsidiaries for investment management. The investment objective of the unit trusts is wealth preservation and risk management has the highest priority. Investment guidelines limit allocation of equities to 30% (2017: Nil) of the portfolio's net asset value.

Credit risk and fair value measurement

Information about the Company's exposures to credit risk and fair value measurement, is included in note 13 and 14.

5 Other receivables

	2018 $	2017 $
Amount due from immediate holding company	138,578	100,827

Amount due from immediate holding company is unsecured, interest-free and repayable on demand. There is no allowance for impairment on other receivables required.

6 Cash and cash equivalents

	2018 $	2017 $
Fixed deposits placed with financial institutions	17,020,351	–
Cash at bank	1,096,477	30,541,012
	18,116,828	30,541,012

The effective interest rate per annum are as follow:

	2018 %	2017 %
Fixed deposits placed with financial institutions	0.51 – 1.25	–

Interest rates for fixed deposits with financial institutions are repriced at regular intervals within 17 months (2017: Nil). All other cash balances are non-interest bearing.

7 Other payables

	2018 $	2017 $
Amount due to immediate holding company	2,800	83,153
Amount due to related companies	–	24,856
	2,800	108,009

These amounts are unsecured, interest-free and repayable on demand.

8 Restricted fund

The designated purpose in the restricted fund is as follows:

The Lee Foundation-NHG Lifetime Achievement Award was set up with the objective of recognising individuals who have made significant and impactful lifetime contributions to NHG institutions and Singapore, particularly in the development of healthcare services and the well-being of Singapore. A maximum of three awards will be given out annually. The award will comprise a citation, a crystal trophy and a cash award of $10,000.

9 Donation income

	Year ended 31/3/2018 $	Period from 1/9/2016 (date of incorporation) to 31/3/2017 $
Tax deductible donations	3,907,137	–

10 Income taxes

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

11 Related party transactions

On 31 March 2017, the operations, assets and liabilities of the National Healthcare Group Endowment Fund were transferred to the Company at their carrying values as at 31 March 2017.

Assets and liabilities transferred comprised the following:

	2017 $
Assets	
Other receivables	100,827
Cash and cash equivalents	30,541,012
	30,641,839
Liabilities	
Other payables	108,009
Accrued charitable expenses	696,756
	804,765
Net assets transferred	29,837,074

12 Key management personnel compensation

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

13 Financial instruments

Overview

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

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, other receivables and investment in unit trusts. The unit trusts are set up by reputable fund managers appointed by MOH Holdings Pte Ltd.

Cash and cash equivalents

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

Investment in unit trusts

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

Other receivables

Other receivables are aged less than one year and no allowance for impairment is required.

As at the balance sheet date, there were no significant concentrations to credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet.

Liquidity risk

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

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

The expected contractual undiscounted cash outflows of other payables, accrued charitable expenses and accrued operating expenses approximate the carrying value and are due within one year.

Interest rate risk

The Company manages its interest rate risks by placing such balances on varying maturities and fixed interest rate terms.

At the balance sheet date, the Company's fixed deposits with financial institutions bear fixed interest rates, there was no significant exposure to interest rate risk.

Foreign currency risk

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

Price risk

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

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

Sensitivity analysis – price risk

A 5% increase in the price of the underlying investment in the unit trusts at the reporting date would increase the income and expenditure by $755,149 (2017: Nil); an equal change in the opposite direction would have decreased the Company's income and expenditure by $755,149 (2017: Nil).

14 Fair value of financial instruments

Fair value is defined as the amount at which the instrument could be exchanged in a current transaction between knowledgeable willing parties in an arm's length transaction, other than in a forced or liquidation sale. Fair values are obtained from quoted market prices, discounted cash flow models and option pricing models as appropriate.

Fair values versus carrying amounts

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

	Note	Designated at fair value $	Loans and receivables $	Other financial liabilities $	Total carrying amount $	Fair value $
31 March 2018						
Financial assets measured at fair value						
Other investments	4	15,102,976	–	–	15,102,976	15,102,976
Financial assets not measured at fair value						
Other receivables	5	–	138,578	–	138,578	
Interest receivables		–	96,877	–	96,877	
Cash and cash equivalents	6	–	18,116,828	–	18,116,828	
		–	18,352,283	–	18,352,283	
Financial liabilities not measured at fair value						
Other payables	7	–	–	(2,800)	2,800	
Accrued charitable expenses		–	–	(509,032)	(509,032)	
Accrued operating expenses		–	–	(13,028)	(13,028)	
		–	–	(524,860)	(524,860)	
31 March 2017						
Financial assets not measured at fair value						
Other receivables	5	–	100,827	–	100,827	
Cash and cash equivalents	6	–	30,541,012	–	30,541,012	
		–	30,641,839	–	30,641,839	

	Note	Designated at fair value $	Loans and receivables $	Other financial liabilities $	Total carrying amount $	Fair value $
31 March 2017						
Financial liabilities not measured at fair value						
Other payables	7	–	–	(108,009)	(108,009)	
Accrued charitable expenses		–	–	(696,756)	(696,756)	
Accrued operating expenses		–	–	(12,840)	(12,840)	
		–	–	(817,605)	(817,605)	

Fair value hierarchy

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

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

	Note	Level 1 $	Level 2 $	Level 3 $	Total $
Company					
31 March 2018					
Other investments – Unit trusts	4	–	15,102,976	–	15,102,976
31 March 2017					
Other investments – Unit trusts	4	–	–	–	–

The above does not include fair value information for financial assets not measured at fair value if the carrying amount is a reasonable approximation of fair value.

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

Other investments

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

Other short-term financial assets and liabilities

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

Offsetting financial assets and financial liabilities

There are no financial assets and financial liabilities that:

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

15 Subsequent event

As at date of the financial statements, the Company received notification of pledged donations from NHG and its related companies. $19,900,000 of the donations are earmarked as restricted fund and the remaining $20,000,000 of the donations are for general usage. The restricted fund will be for the following uses to benefit the Singapore community and to fulfill Ministry of Health (MOH)'s 3 Beyonds:

- Strategic staff training and development programmes to gear up the competencies of NHG's workforce;

- Collaborations with external healthcare partners to strengthen their capabilities to create better health and better care; and

- Keep the population well, prevent illness and not just treating illness, which includes but not limited to mindset transformation and empowerment of the population to build resilience in self-care and crisis management.