Statement of changes in funds
Year ended 31 March 2015

	Unrestricted fund Accumulated Fund $	Restricted fund Endowment Fund $	Total funds $
At 1 April 2013	10,785,912	20,104,764	30,890,676
Total comprehensive income for the year			
Surplus/(deficit) of income over expenditure	470,791	(254,724)	216,067
Total comprehensive income for the year	470,791	(254,724)	216,067
At 31 March 2014	11,256,703	19,850,040	31,106,743
At 1 April 2014	11,256,703	19,850,040	31,106,743
Total comprehensive income for the year			
Surplus of income over expenditure	1,434,336	1,215,245	2,649,581
Total comprehensive income for the year	1,434,336	1,215,245	2,649,581
At 31 March 2015	12,691,039	21,065,285	33,756,324

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

Statement of cash flows
Year ended 31 March 2015

	Note	2015 $	2014 $
Cash flows from operating activities			
Net incoming resources for the year		2,649,581	216,067
Adjustments for:			
Amortisation of deferred capital grants	9	(710,618)	(307,365)
Depreciation of property, plant and equipment	4	1,195,033	656,440
Dividend income		(265,924)	(303,018)
Interest income		(414,543)	(428,608)
Net changes in fair value of financial assets		(474,535)	542,592
Property, plant and equipment written off		–	10,018
Losses on disposal of property, plant and equipment		9,324	–
(Gains)/losses on disposal of financial assets		(263,439)	291,155
		1,724,879	677,281
Changes in working capital:			
Grants and other receivables		(312,650)	(512,980)
Trade and other payables		4,060,139	405,519
Net cash from operating activities		5,472,368	569,820
Cash flows from investing activities			
Dividend received		265,924	303,018
Interest received		431,312	432,204
Proceeds from disposal of financial assets		8,843,343	11,295,731
Purchase of financial assets		(8,831,089)	(11,877,018)
Proceeds from disposal of property, plant and equipment		2,000	–
Purchase of property, plant and equipment	4	(236,256)	(928,622)
Fixed deposits (net)		(8,594)	(10,231)
Net cash from/(used in) investing activities		466,640	(784,918)
Cash flows from financing activity			
Capital grants received in advance	9	287,397	348,607
Net cash from financing activity		287,397	348,607
Net increase in cash and cash equivalents		6,226,405	133,509
Cash and cash equivalents at beginning of the year		8,171,327	8,037,818
Cash and cash equivalents at end of the year	7	14,397,732	8,171,327

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 Hospice's Governing Council on 28 July 2015.

1 Domicile and activities

Dover Park Hospice (the Hospice) is a society registered with the Registrar of Societies under the Societies Act, Chapter 311, and has its registered office at 10 Jalan Tan Tock Seng, Singapore 308436.

The Hospice has been registered as a charity under the Charities Act, Chapter 37 since 20 April 1994.

The principal activities of the Hospice are those relating to the provision of inpatient and home care services to the terminally ill.

The Hospice is approved as an institution of a public character (IPC) under the provisions of the Income Tax Act. The Hospice's tax exempt status has been extended from 1 October 2014 to 30 September 2017.

2 Basis of preparation

2.1 Statement of compliance

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

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

2.4 Use of estimates and judgements

The preparation of the financial statements in conformity with FRS 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 estimate is revised and in any future periods affected.

Estimates and judgements 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.

The selection of critical accounting policies, 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 Hospice believes the following critical accounting policies involve the most significant judgements and estimates used in the preparation of the financial statements.

Useful lives of property, plant and equipment

Property, plant and equipment are stated at cost and depreciated on a straight-line basis over their estimated useful lives. The estimated useful lives represent the estimate of the periods that management expects to derive economic benefits from these assets. In estimating these useful lives and in determining whether subsequent revisions to useful lives are necessary, the management considers the likelihood of technical obsolescence arising from changes in technology, asset utilisation and anticipated use of the assets.

Changes in useful lives of building and facilities improvement are set out in note 3.2 below.

Recognition of grant income

Grants are accounted for on an accrual basis in the statement of comprehensive income when there is reasonable assurance that the Hospice has complied with all the terms and conditions attached to the grants and that there is reasonable certainty that the grants will be received. In assessing the recognition of grant income, the management considers the criterion for each individual grant to ascertain all grant income in the statement of comprehensive income are presented appropriately.

2.5 Changes in accounting policies

In the current financial year, the Hospice has adopted all the new and revised FRSs and Interpretations of FRSs ("INT FRSs") that are relevant to its operations and effective for annual period beginning on 1 April 2014. The adoption of these new and revised FRSs and INT FRSs did not result in substantial changes to the Hospice's accounting policies and has no material effect on the amounts reported for the current and prior years.

3 Significant accounting policies

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

3.1 Funds structure

The Accumulated Fund is available for use at the discretion of the Council in furtherance of the Hospice's objects.

The Endowment Fund was established under Article 14 of the Dover Park Hospice Constitution. The objectives of and restrictions over the Endowment Fund are stated in note 8 to the financial statements.

3.2 Property, plant and equipment

Recognition and measurement

Items of 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, costs directly attributable to bringing the asset to a working condition for their intended use, and the cost of dismantling and removing the items and restoring the site on which they are located.

Low value assets costing less than $1,000 individually are written off in the period of outlay.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

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 net within other income/other expenses in statement of comprehensive income.

Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Hospice 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 property, plant and equipment are recognised in the statement of comprehensive income as incurred.

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 the 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 unless it is included in the carrying amount of another asset.

Depreciation is recognised from the date that the property, plant and equipment are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use.

The Hospice is expected to move to the new site at the Integrated Intermediate Care Hub ("IICH") by 2020. As a result, the Hospice accelerated the depreciation of its existing building and facilities improvement as stated below.

The estimated useful lives for the current and comparative years are as follows:

	2015	2014
Building	25 years	50 years
Facilities improvement	11 years	15 years
Office equipment	5 years	5 years
Plant and equipment	5 years	5 years
Medical equipment	5 to 10 years	5 to 10 years

	2015	2014
Furniture and fittings	5 years	5 years
Motor vehicles	10 years	10 years
Computer equipment	3 years	3 years

This resulted in an increase of actual and expected depreciation expense amounting to $559,375 each year from 2015 to 2020.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

3.3 Financial instruments

Non-derivative financial assets

The Hospice initially recognises loans and receivables and deposits on the date that they are originated. All other financial assets (including assets designated at fair value through income and expenditure) are recognised initially on the trade date, which is the date that the Hospice becomes a party to the contractual provisions of the instrument.

The Hospice derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in transferred financial assets that is created or retained by the Hospice is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Hospice has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Hospice classifies non-derivative financial assets into the following categories: financial assets at fair value through income and expenditure and loans and receivables.

Financial assets at fair value through income and expenditure

A financial asset is classified at fair value through income and expenditure if it is classified as held for trading or is designated as such upon initial recognition. Financial assets are designated at fair value through income and expenditure if the Hospice manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Hospice's documented risk management or investment strategy. Attributable transaction costs are recognised in the statement of comprehensive income 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 the statement of comprehensive income.

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 grants and other receivables and, cash and cash equivalents.

Cash and cash equivalents comprise cash balances and bank deposits with maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value, and are used by the Hospice in the management of its short-term commitments.

Non-derivative financial liabilities

Financial liabilities are recognised initially on the trade date, which is the date that the Hospice becomes a party to the contractual provisions of the instrument. The Hospice derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Hospice has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Hospice classifies non-derivative financial liabilities into the other financial liability category. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

Other financial liabilities comprise trade and other payables.

3.4 Impairment

Non-derivative financial assets

A financial asset not carried at fair value through income and expenditure is assessed at the end of each reporting period to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event(s) has occurred after the initial recognition of the asset, and that the loss event(s) has a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets (including equity securities) are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Hospice on terms that the Hospice would not consider otherwise, indications that a debtor or issuer will enter bankruptcy and economic conditions that correlate with defaults or the disappearance of an active market for a security.

The Hospice considers evidence of impairment for 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. Receivables that are not individually significant are collectively assessed for impairment by grouping together receivables with similar risk characteristics.

In assessing collective impairment, the Hospice uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in the statement of comprehensive income and reflected in an allowance account against receivables. Interest on the impaired asset continues to be recognised. When the Hospice 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 Hospice'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 risks 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 groups of assets or CGU.

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 other 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, if no impairment loss had been recognised.

3.5 Employee benefits

Contribution to Central Provident Fund

Obligations for contributions to Central Provident Fund are recognised as an expense in the statement of comprehensive income as incurred.

Short-term accumulating compensated absences

Short-term accumulating compensated absences are recognised when employees render services that increase their entitlement to future compensated absences.

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus if the Hospice has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

3.6 Deferred capital grants

Grants from the government received by the Hospice to construct, furnish and equip the Hospice and to purchase depreciable assets are taken to the deferred capital grants account. Deferred capital grants are recognised in the statement of comprehensive income over the periods necessary to match the depreciation of the assets purchased or donated, with the related grants.

3.7 Operating leases

Where the Hospice has the use of assets under operating leases, payments made under the leases are recognised in the statement of comprehensive income on a straight-line basis over the term of the lease. Lease incentives received are recognised in the statement of comprehensive income as an integral part of the total lease payments made.

3.8 Incoming resources

(i) Donations are recognised as income when the following three criteria are met:

- Entitlement – normally arises when there is control over the rights or other access to the resource, enabling the Hospice to determine its future application;
- Certainty – when it is virtually certain that the income will be received; and
- Measurement – when the monetary value of the income can be measured with sufficient reliability.

(ii) Grants are accounted for on an accrual basis in the statement of comprehensive income when there is reasonable assurance that the Hospice has complied with all the terms and conditions attached to the grants and that there is reasonable certainty that the grants will be received.

(iii) Membership subscriptions are recognised on an accrual basis.

(iv) Revenue from rendering services is recognised when the services are rendered.

3.9 Investment income

Investment income comprises interest income on funds invested, dividend income, gains on disposal of financial assets and foreign exchange gain that are recognised in the statement of comprehensive income. Interest income is recognised as it accrues, using the effective interest method. Dividend income is recognised on the date the Hospice's right to receive payment is established.

3.10 Resources expended

All expenditure is accounted for on an accrual basis and has been classified under headings that aggregate all costs related to that activity. Cost comprises direct expenditure including direct staff costs attributable to the activity. Where costs cannot be wholly attributable to an activity, they have been apportioned on a basis consistent with the use of resources. These include overheads such as utilities, amortisation of renovations and support costs.

(i) Allocation of support costs

Support costs comprise staff costs relating to general management, human resource and administration, budgeting, accounting and finance functions and have been allocated to fundraising, charitable activities and governance based on management's best estimated amount of time spent on each activity, if possible.

(ii) Costs of generating funds

The costs of generating funds are those costs attributable to generating income for charity, other than those costs incurred in undertaking charitable activities or the costs incurred in undertaking trading activities in furtherance of the Hospice's objects.

(iii) Charitable activities

Costs of charitable activities comprise all costs incurred in the pursuit of the charitable objects of the Hospice. The total costs of charitable expenditure include an apportionment of support costs.

(iv) Governance costs

Governance costs comprise all costs attributable to the general running of the Hospice in providing the governance infrastructure and in ensuring public accountability. These costs include costs related to constitutional and statutory requirements, and include an apportionment of overhead and support costs.

3.11 New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective for the Hospice's accounting period beginning on or after 1 April 2015 onwards, and have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the Hospice. The Hospice does not plan to adopt these standards early.

4 Property, plant and equipment

	Building $	Facilities improvement $	Office equipment $	Plant and equipment $	Medical equipment $	Furniture and fittings $	Motor vehicles $	Computer equipment $	Total $
Cost									
At 1 April 2013	4,538,567	3,348,434	20,941	108,706	752,764	148,122	105,804	257,231	9,280,569
Additions	–	42,584	–	15,734	121,317	36,437	281,104	431,446	928,622
Written off	–	–	–	(15,919)	(86,305)	(4,144)	(59,480)	–	(165,848)
At 31 March 2014	4,538,567	3,391,018	20,941	108,521	787,776	180,415	327,428	688,677	10,043,343
Additions	–	–	4,200	23,184	104,085	2,880	–	101,907	236,256
Disposals	–	–	(1,545)	–	(102,746)	(19,707)	–	(1,000)	(124,998)
At 31 March 2015	4,538,567	3,391,018	23,596	131,705	789,115	163,588	327,428	789,584	10,154,601
Accumulated depreciation									
At 1 April 2013	1,601,690	747,377	10,536	73,352	527,100	100,358	96,539	198,920	3,355,872
Depreciation for the year	90,771	226,982	2,879	15,236	72,930	22,605	32,743	192,294	656,440
Written off	–	–	–	(15,919)	(76,289)	(4,142)	(59,480)	–	(155,830)
At 31 March 2014	1,692,461	974,359	13,415	72,669	523,741	118,821	69,802	391,214	3,856,482
Depreciation for the year	474,351	402,777	3,363	17,426	75,591	18,955	32,743	169,827	1,195,033
Disposals	–	–	(1,545)	–	(93,740)	(17,389)	–	(1,000)	(113,674)
At 31 March 2015	2,166,812	1,377,136	15,233	90,095	505,592	120,387	102,545	560,041	4,937,841
Carrying amounts									
At 1 April 2013	2,936,877	2,601,057	10,405	35,354	225,664	47,764	9,265	58,311	5,924,697
At 31 March 2014	2,846,106	2,416,659	7,526	35,852	264,035	61,594	257,626	297,463	6,186,861
At 31 March 2015	2,371,755	2,013,882	8,363	41,610	283,523	43,201	224,883	229,543	5,216,760

5 Financial assets – Investments

Investments at fair value through income and expenditure	Managed internally Accumulated Fund $	Managed internally Endowment Fund $	Managed by fund manager Endowment Fund $	Total $
2015				
Quoted equity securities	–	2,439,129	5,452,733	7,891,862
Fixed income securities	537,515	537,515	8,350,659	9,425,689
Quoted preference shares	539,223	264,325	–	803,548
	1,076,738	3,240,969	13,803,392	18,121,099
2014				
Quoted equity securities	–	2,170,640	4,096,188	6,266,828
Fixed income securities	1,031,300	525,650	8,777,021	10,333,971
Quoted preference shares	533,205	261,375	–	794,580
	1,564,505	2,957,665	12,873,209	17,395,379

Fixed income securities bear fixed interest rates as at year end ranging from 2.00% to 5.75% (2014: 1.15% to 5.75%). All financial assets are denominated in Singapore dollar.

6 Grants and other receivables

	2015 $	2014 $
Grants receivable from Ministry of Health	297,904	304,035
Grants receivable from Tote Board	560,176	429,755
Grants receivable from Temasek Care	133,947	–
Deposits	72,593	71,729
Interest receivable	85,240	102,009
Other receivables	299,151	211,503
Loans and receivables	1,449,011	1,119,031
Prepayments	20,759	54,858
	1,469,770	1,173,889

Included in the grants receivable from Ministry of Health is an amount of $nil (2014: $51,661) due from the Community Silver Trust Fund.