Dover Park Hospice
UEN Number: S92SS0138D
(Registered under the Singapore Societies Act, Chapter 311)

Charity Registration Number: 1019
(Registered under the Singapore Charities Act, Chapter 37)

Financial Statements
Year ended 31 March 2019

Corporate information

Registration

Dover Park Hospice ('the Hospice') is registered as a Voluntary Welfare Organisation in accordance with the Singapore Societies Act, Chapter 311. The Hospice is registered as a charity under the Singapore Charities Act, Chapter 37. 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 01 October 2017 to 30 September 2020.

Registered Address

10 Jalan Tan Tock Seng
Singapore 308436

Governing Council

Chairman
Mr. Robert Chew

Vice Chairman
Ms. Angelene Chan

Honorary Treasurer
Ms. Woo E-Sah

Honorary Secretary
Ms. Ong Ai Hua

Assistant Honorary Treasurer
Mr. Chey Chor Wai

Assistant Honorary Secretary
Mr. Low Chee Wah

Members
Ms. Chen Dan, Diane
Ms. Foo, Marlene
Col. (Ret) Gwee Chwee Kee, Rupert
Prof. Ho Yew Kee
Dr. Kwa Chong Teck
Mr. Lee Keng Kok, Lester
Ms. Lim Boon Hong, Kemmy
Dr. Lim Fung Yen, Jeremy
Dr. Seet Ju Ee
Dr. Soh Hui Hian, Karen
Dr. Wu Huei Yaw

Honorary Council Members
Dr. Seet Ai Mee
Dr. Lim Kian Tho, Jerry

Statement by Governing Council

In our opinion, the financial statements set out on pages FS1 to FS42 present fairly, in all material respects, the financial position of the Hospice as at 31 March 2019 and the financial performance, changes in funds and cash flows of the Hospice for the year then ended in accordance with the provisions of the Singapore Charities Act and Singapore Financial Reporting Standards.

The Governing Council has, on the date of this statement, authorised these financial statements for issue.

On behalf of the Governing Council

Mr Robert Chew
Chairman, Governing Council

Ms Woo E-Sah
Honorary Treasurer, Governing Council

23 July 2019

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Independent auditors' report

Members of Dover Park Hospice
(Registered under the Singapore Societies Act, Chapter 311 and Singapore Charities Act, Chapter 37)

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Dover Park Hospice ('the Hospice'), which comprise the statement of financial position as at 31 March 2019, the statement of comprehensive income, statement of changes in funds and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages FS1 to FS42.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the the Societies Act, Chapter 311 ('the Societies 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 present fairly, in all material respects, the state of affairs of the Hospice as at 31 March 2019 and the results, changes in funds and cash flows of the Hospice 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 Hospice in accordance with the Accounting and Corporate Regulatory Authority *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ('ACRA Code') together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

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

We have obtained the Corporate Information, Statement by Governing Council and Financial Highlights 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.

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

Responsibilities of management and Governing Council for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the provisions of the Societies Act, the Charities Act and Regulations and Financial Reporting Standards in Singapore ('FRSs'), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Hospice'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 Hospice or to cease operations, or has no realistic alternative but to do so.

Governing Council is responsible for overseeing the Hospice'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 Hospice'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 Hospice'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 Hospice 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 Governing Council 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:

(a) the accounting and other records required to be kept by the Hospice have been properly kept in accordance the provisions of the Societies Regulations enacted under the Societies Act, the Charities Act and Regulations; and

(b) the fund-raising appeal held during the period 1 April 2018 to 31 March 2019 has been carried out in accordance with Regulation 6 of the Societies Regulations issued under the Societies Act and proper accounts and other records have been kept of the fund-raising appeal.

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

(a) the Hospice 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 Hospice 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
23 July 2019

Statement of financial position
As at 31 March 2019

	Note	2019 $	2018 $
Non-current asset			
Property, plant and equipment	4	1,731,643	2,496,810
Current assets			
Financial assets - Investments	5	38,530,814	37,884,604
Grants, trade and other receivables	6	3,467,296	1,859,872
Cash and cash equivalents	7	9,316,210	9,464,194
		51,314,320	49,208,670
Total assets		53,045,963	51,705,480
Funds of the Hospice:			
Restricted fund - Endowment fund	8(i)	21,339,077	20,899,188
Restricted fund - Donations	8(ii)	8,503,382	8,680,262
Unrestricted fund - Accumulated fund	8(iii)	16,342,645	16,013,439
Total funds		46,185,104	45,592,889
Non-current liability			
Deferred capital grants	9	1,044,852	1,484,290
Current liability			
Trade and other payables	10	5,816,007	4,628,301
Total liabilities		6,860,859	6,112,591
Total funds and liabilities		53,045,963	51,705,480

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

Statement of comprehensive income
Year ended 31 March 2019

Financial activities/Income and expenditure	Note	2019 Unrestricted fund – Accumulated fund $	2019 Restricted fund – Donations $	2019 Restricted fund – Endowment fund $	2019 Total funds $	2018 Unrestricted fund – Accumulated fund $	2018 Restricted fund – Donations $	2018 Restricted fund – Endowment fund $	2018 Total funds $
Incoming resources									
Incoming resources from generated funds									
Voluntary income	11	1,168,900	35,539	–	1,204,439	1,036,709	8,670,147	–	9,706,856
Income from fund-raising activities	11	1,677,266	–	–	1,677,266	2,002,455	–	–	2,002,455
Investment income	12	178,894	–	325,315	504,209	103,742	–	221,193	324,935
Others		224,959	–	–	224,959	443,171	–	–	443,171
		3,250,019	35,539	325,315	3,610,873	3,586,077	8,670,147	221,193	12,477,417
Charitable activities									
Patient fees		1,457,043	–	–	1,457,043	1,519,652	–	–	1,519,652
Government subvention grant		5,211,932	–	–	5,211,932	4,155,838	–	–	4,155,838
Other grants	13	3,441,754	–	–	3,441,754	3,578,259	–	–	3,578,259
Amortisation of deferred capital grants		751,590	–	–	751,590	741,636	–	–	741,636
		10,862,319	–	–	10,862,319	9,995,385	–	–	9,995,385
Total incoming resources		14,112,338	35,539	325,315	14,473,192	13,581,462	8,670,147	221,193	22,472,802
Resources expended									
Cost of generating funds									
Fundraising costs	14	(204,194)	–	–	(204,194)	(383,118)	–	–	(383,118)
Investment management expenses	15	(59,054)	–	(75,141)	(134,195)	(30,004)	–	(77,305)	(107,309)
		(263,248)	–	(75,141)	(338,389)	(413,122)	–	(77,305)	(490,427)
Charitable activities	16	(10,925,419)	(212,419)	–	(11,137,838)	(10,362,346)	(173,885)	–	(10,536,231)
Impairment loss on trade receivable		(18,600)	–	–	(18,600)	–	–	–	–
Governance activities	17	(2,872,896)	–	–	(2,872,896)	(2,935,997)	–	–	(2,935,997)
Total resources expended		(14,080,163)	(212,419)	(75,141)	(14,367,723)	(13,711,465)	(173,885)	(77,305)	(13,962,655)
Net incoming resources/(resources expended) before investment gains and losses	13	32,175	(176,880)	250,174	105,469	(130,003)	8,496,262	143,888	8,510,147
Fair value gains/(losses) on financial assets at fair value through profit or loss		338,798	–	193,969	532,767	(81,103)	–	542,715	461,612
Unrealised foreign exchange losses		(15,996)	–	(3,296)	(19,292)	–	–	(37,216)	(37,216)
Realised foreign exchange losses		(5,935)	–	(62,439)	(68,374)	–	–	–	–
(Losses)/gains on disposal of financial assets		(13,436)	–	61,481	48,045	–	–	27,885	27,885
Net incoming resources/(resources expended) for the year and total comprehensive income for the year		335,606	(176,880)	439,889	598,615	(211,106)	8,496,262	677,272	8,962,428

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

Statement of changes in funds
Year ended 31 March 2019

	Unrestricted fund – Accumulated fund $	Restricted fund – Donations $	Restricted fund – Endowment fund $	Total funds $
At 1 April 2017	14,534,271	184,000	21,912,190	36,630,461
Total comprehensive income for the year				
Net (resources expended)/incoming resources for the year, representing total comprehensive income for the year	(211,106)	8,496,262	677,272	8,962,428
Transfer from restricted fund to unrestricted fund (Note 8i)	1,690,274	–	(1,690,274)	–
Total comprehensive income for the year net of transfer	1,479,168	8,496,262	(1,013,002)	8,962,428
At 31 March 2018	16,013,439	8,680,262	20,899,188	45,592,889
At 1 April 2018	16,013,439	8,680,262	20,899,188	45,592,889
Adjustment on initial application of FRS 109, net of tax	(6,400)	–	–	(6,400)
Adjusted balance at 1 April 2018	16,007,039	8,680,262	20,899,188	45,586,489
Total comprehensive income for the year				
Net incoming resources/(resources expended)/ for the year, representing total comprehensive income for the year	335,606	(176,880)	439,889	598,615
At 31 March 2019	16,342,645	8,503,382	21,339,077	46,185,104

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

Statement of cash flows
Year ended 31 March 2019

	Note	2019 $	2018 $
Cash flows from operating activities			
Net incoming resources for the year		598,615	8,962,428
Adjustments for:			
Amortisation of deferred capital grants	9	(751,590)	(741,636)
Depreciation of property, plant and equipment	4	1,208,845	1,191,366
Dividend income	12	(334,898)	(239,024)
Interest income	12	(169,311)	(85,911)
Impairment loss on grant, trade and other receivables		18,600	–
Net changes in fair value of financial assets		(532,767)	(461,612)
Unrealised foreign exchange losses		19,292	37,216
Property, plant and equipment written off	4	16,504	12,119
Gain on disposal of financial assets		(48,045)	(27,885)
		25,245	8,647,061
Changes in working capital:			
Grants and other receivables		(1,521,751)	(641,135)
Trade and other payables		1,064,563	(1,357,777)
Net cash (used in)/from operating activities		(431,943)	6,648,149
Cash flows from investing activities			
Dividend received		333,062	239,024
Interest received		60,474	149,963
Proceeds from disposal of financial assets		21,258,910	10,856,635
Purchase of financial assets		(21,343,600)	(32,565,975)
Purchase of property, plant and equipment	4	(460,182)	(214,777)
Fixed deposits (net)		(453,985)	6,574,323
Net cash used in investing activities		(605,321)	(14,960,807)
Cash flows from financing activity			
Capital grants received	9	312,152	160,077
Net cash from financing activity		312,152	160,077
Net decrease in cash and cash equivalents		(725,112)	(8,152,581)
Cash and cash equivalents at beginning of the year		9,383,846	17,536,427
Cash and cash equivalents at end of the year	7	8,658,734	9,383,846

See non-cash transaction in note 8(i) in relation to the transfer of restricted fund – Endowment fund to unrestricted fund – Accumulated fund.

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 23 July 2019.

1 Domicile and activities

Dover Park Hospice ('the Hospice') is a society registered with the Registrar of Societies under the Singapore 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 Singapore 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 2017 to 30 September 2020.

2 Basis of preparation

2.1 Statement of compliance

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

2.2 Basis of measurement

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

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes:

- Note 4 – useful lives of property, plant and equipment
- Note 6 – measurement of expected credit loss ("ECL") allowance for trade and other receivables: Key assumptions in determining the weighted-average loss rate
- Note 13 – recognition of grant income

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.

Measurement of fair values

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

The Hospice has an established control framework with respect to the measurement of fair values. This includes a finance team that has an overall responsibility for all significant fair value measurements and reports directly to the Chief Executive Officer.

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

- *Level 1 :* quoted prices (unadjusted) in active markets for identical assets or liabilities.
- *Level 2 :* inputs other than quoted prices included in 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 of input that is significant to the entire measurement (with Level 3 being the lowest).

The Hospice recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in note 19.

2.5 Adoption of new standards

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

- FRS 115 *Revenue from Contracts with Customers*;
- *Clarifications to FRS 115 Revenue from Contracts with Customers* (Amendments to FRS 115); and
- FRS 109 *Financial Instruments*.

Other than FRS 109, the adoption of these FRSs, amendments to standards and interpretations did not have a material effect on the Hospice’s financial statements.

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

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

FRS 109 *Financial Instruments*

FRS 109 *Financial Instruments* sets out requirements for recognising and measuring financial assets and financial liabilities. It also introduces a new ECL model. The Hospice adopted FRS 109 from 1 April 2018.

In accordance with the exemption in FRS 1, the Hospice elected not to restate information for 2018. Accordingly, the information presented for 2018 is presented, as previously reported, under FRS 39 *Financial Instruments: Recognition and Measurement*. Differences in the carrying amounts of financial assets and financial liabilities resulting from the adoption of FRS 109 are recognised in accumulated fund as at 1 April 2018.

Arising from this election, the Hospice is exempted from providing disclosures required by FRS 107 *Financial Instruments: Disclosures* for the comparative period to the extent that these disclosures relate to items within the scope of FRS 109. Instead, disclosures under FRS 107 *Financial Instruments: Disclosures* relating to items within the scope of FRS 39 are provided for the comparative period.

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

- The following assessments were made on the basis of facts and circumstances that existed at 1 April 2018.
  - The determination of the business model within which a financial asset is held; and
  - The determination of whether the contractual terms of a financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The impact on adoption of FRS 109 are described below. The information below reflects the Hospice's implications arising from changes in the accounting treatment.

(i) Classification of financial assets and financial liabilities

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

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

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

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

	Note	Original classification under FRS 39	New classification under FRS 109	Original carrying amount under FRS 39 $	New carrying amount under FRS 109 $
Financial assets					
Financial assets - Investments	(a)	Held for trading	Mandatorily at FVTPL	37,884,604	37,884,604
Grant, trade and other receivables	(b)	Loans and receivables	Amortised cost	1,753,412	1,747,012
Cash and cash equivalents		Loans and receivables	Amortised cost	9,464,194	9,464,194
Total financial assets				49,102,210	49,095,810

a) Investments that were classified as held-for-trading under FRS 39 are now classified as mandatorily measured under FVTPL under FRS 109. See note 5.

b) Grants, trade and other receivables that were classified as loans and receivables under FRS 39 are now classified at amortised cost. An increase of $6,400 in the allowance for impairment was recognised in opening accumulated fund of the Hospice at 1 April 2018 on transition to FRS 109.

(ii) Impairment of financial assets

FRS 109 replaces the 'incurred loss' model in FRS 39 with an ECL model. The new impairment model applies to financial assets measured at amortised cost, but not to equity investments.

The application of FRS 109 impairment requirements at 1 April 2018 results in increase in allowances for impairment as follows:

	$
Loss allowance at 31 March 2018 under FRS 39	–
Increase in impairment recognised at 1 April 2018 on:	
Grants, trade and other receivables as at 31 March 2018	6,400
Loss allowance at 1 April 2018 under FRS 109	6,400

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

Additional information about how the Hospice measure the allowance for impairment is described in note 6.

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 Unrestricted fund - Accumulated fund is available for use at the discretion of the Governing Council in furtherance of the Hospice's objects.

The restricted fund of donations is subjected to restrictions on its expenditure by the donor or through the terms of an appeal.

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(i) to the financial statements.

3.2 Foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency of the Hospice at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on translation are generally recognised in statement of comprehensive income.

The Hospice's investments denominated in foreign currencies are hedged back to Singapore dollars ("SGD") using forward contracts. The unrealised forex losses was incurred as the hedging arrangement did not fulfil the FRS 109 *Financial Instruments* hedge accounting requirements and thus they have to be disclosed separately.

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

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

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

Building	25 years *
Facilities improvement	11 years *
Office equipment	5 years
Plant and equipment	5 years
Medical equipment	5 years *
Furniture and fittings	5 years
Motor vehicles	10 years
Computer equipment	3 years

* The Hospice is expected to move to the new site at the Integrated Care Hub ("ICH") by 2021. Accordingly, the existing building, facilities improvement and medical equipment are expected to be fully depreciated by 2021.

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

3.4 Financial instruments

(i) ***Recognition and initial measurement***

Non-derivative financial assets and financial liabilities

Grants, trade and other receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Hospice becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (“FVTPL”), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) ***Classification and subsequent measurement***

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

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

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

Financial assets at amortised cost

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

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

Financial assets at FVTPL

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

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

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

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;

- how the performance of the portfolio is evaluated and reported to the Hospice's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

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

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

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

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

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

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Hospice's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

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

Financial assets at FVTPL

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

Financial assets at amortised cost

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

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

The Hospice classifies non-derivative financial assets into the following categories: financial assets at FVTPL and loans and receivables.

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

Financial assets at FVTPL

A financial asset was classified at FVTPL if it was classified as held-for-trading or was designated as such upon initial recognition. Financial assets were designated at FVTPL if the Hospice managed such investments and made purchase and sale decisions based on their fair value in accordance with the Hospice's documented risk management or investment strategy. Directly attributable transaction costs were recognised in statement of comprehensive income as incurred. Financial assets at FVTPL were measured at fair value, and changes therein, which took into account any dividend income, were recognised in statement of comprehensive income.

Financial assets classified as held-for-trading comprised investment in quoted equity securities, quoted debt securities, quoted preference shares and unit trusts.

Loans and receivables

Loans and receivables were financial assets with fixed or determinable payments that were not quoted in an active market. Such assets are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables were measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprised cash and cash equivalents, and grants and other receivables.

Non-derivative financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost.

Other financial liabilities are initially measured at fair value less directly attributable transaction costs. They are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in statement of comprehensive income. These financial liabilities comprise trade and other payables.

(iii) Derecognition

Financial assets

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

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

Financial liabilities

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

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

(iv) Offsetting

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

(v) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and short-term deposits with maturities of three months or less from the date of acquisition 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.

(vi) Derivative financial instruments and hedge accounting

Policy applicable from 1 April 2018

The Hospice holds derivative financial instruments to hedge its foreign currency risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value and any directly attributable transaction costs are recognised in statement of comprehensive income as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are accounted for as described below.

Economic hedges

Hedge accounting is not applied to derivative instruments that economically hedge monetary assets and liabilities denominated in foreign currencies. Changes in the fair value of such derivatives are recognised in statement of comprehensive income.

Separable embedded derivatives

Changes in the fair value of separable embedded derivative are recognised immediately in statement of comprehensive income.

Policy applicable before 1 April 2018

The policy applied in the comparative information presented for 2018 is similar to that applied for 2019. However, embedded derivatives are not separated from host contracts that are financial assets in the scope of FRS 109. Instead, the hybrid financial instrument is assessed as a whole for classification of financial assets under FRS 109.

3.5 Impairment

(i) Non-derivative financial assets

Policy applicable from 1 April 2018

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

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

Simplified approach

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

General approach

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

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Hospice 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 Hospice's historical experience and informed credit assessment and includes forward-looking information.

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

The Hospice considers a financial asset to be in default when:
- the borrower is unlikely to pay its credit obligations to the Hospice in full, without recourse by the Hospice to actions such as realising security (if any is held); or
- the financial asset remains outstanding for more that the reasonable range of past due days, taking into consideration historical payment track record, current macroeconomics situation as general industry trend.

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

Measurement of ECLs

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

Credit-impaired financial assets

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

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

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or remains outstanding for more than 150 days, taking into consideration historical payment track records;
- the restructuring of a loan or advance by the Hospice on terms that the Hospice would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECLs in the statement of financial position

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

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Hospice 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 Hospice's procedures for recovery of amounts due.

Policy applicable before 1 April 2018

A financial asset not carried at FVTPL was assessed at the end of each reporting period to determine whether there was objective evidence that it was impaired. A financial asset was impaired if objective evidence indicated that a loss event(s) had occurred after the initial recognition of the asset, and that the loss event(s) had an impact on the estimated future cash flows of that asset that could be estimated reliably.

Objective evidence that financial assets (including equity investments) were impaired included 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 would enter bankruptcy, adverse changes in the payment status of borrowers or issuers, economic conditions that correlate with defaults or the disappearance of an active market for a security. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost was objective evidence of impairment.

Loans and receivables

The Hospice considered evidence of impairment for loans and receivables at both an individual asset and collective level. All individually significant assets were individually assessed for impairment. Those found not to be impaired were then collectively assessed for any impairment that had been incurred but not yet identified. Assets that were not individually significant were collectively assessed for impairment. Collective assessment was carried out by grouping together assets with similar risk characteristics.

In assessing collective impairment, the Hospice used historical information on the timing of recoveries and the amount of loss incurred, and made an adjustment if current economic and credit conditions were such that the actual losses were likely to be greater or lesser than suggested by historical trends.

An impairment loss was calculated as the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the asset's original effective interest rate. Losses were recognised in statement of comprehensive income and reflected in an allowance account. When the Hospice considered that there were no realistic prospects of recovery of the asset, the relevant amounts were written off. If the amount of impairment loss subsequently decreased and the decrease was related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss was reversed through statement of comprehensive income.

(ii) 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 CGUs.

Impairment losses are recognised in statement of comprehensive income. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then 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 or amortisation, if no impairment loss had been recognised.

3.6 Employee benefits

(i) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in statement of comprehensive income in the periods during which related services are rendered by employees.

(ii) Short-term accumulating compensated absences

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

(iii) 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.

3.7 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.

3.8 Lease payments

Payments made under operating leases are recognised in statement of comprehensive income on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

3.9 Incoming resources

(i) Donation income

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) Patient and related revenue

Patient and related revenue are recognised when services are rendered. Revenue services in the ordinary course of business is recognised when the Hospice satisfies a performance obligation (PO) by transferring control of a promised service to the customer. The amount of revenue recognised is the amount of the transaction price allocated to the satisfied PO.

The transaction price is allocated to each PO in the contract on the basis of the relative stand-alone selling prices of the promised services. The individual standalone selling price of a service that has not previously been sold on a stand-alone basis, or has a highly variable selling price, is determined based on the residual portion of the transaction price after allocating the transaction price to services with observable stand-alone selling prices. A discount or variable consideration is allocated to one or more, but not all, of the performance obligations if it relates specifically to those performance obligations.

Transaction price is the amount of consideration in the contract to which the Hospice expects to be entitled in exchange for transferring the promised services. The transaction price may be fixed or variable and is adjusted for time value of money if the contract includes a significant financing component. Consideration payable to a customer is deducted from the transaction price if the Hospice does not receive a separate identifiable benefit from the customer. When consideration is variable, the estimated amount is included in the transaction price to the extent that it is highly probable that a significant reversal of the cumulative revenue will not occur when the uncertainty associated with the variable consideration is resolved.

Revenue may be recognised at a point in time or over time following the timing of satisfaction of the PO. If a PO is satisfied over time, revenue is recognised based on the percentage of completion reflecting the progress towards complete satisfaction of that PO.

(iii) Grants

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.

Grants that compensate the Hospice for expenses incurred are recognised in statement of comprehensive income on a systematic basis in the same periods in which the expenses are recognised.

Grants relating to assets are included in non-current liabilities as "deferred capital grant" and are taken to the statement of comprehensive income on a straight-line basis over the expected useful lives of the related assets.

(iv) 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) 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.

(ii) Costs of charitable activities

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

(iii) Cost of governance activities

The costs of governance activities 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 Adoption of new standards not yet adopted

A number of new standards and interpretations and amendments to standards are effective for annual periods beginning after 1 April 2018 and earlier application is permitted; however, the Hospice has not early adopted the new or amended standards and interpretations in preparing these financial statements.

The following standard is expected to have a material impact on the Hospice's financial statements in the period of initial application.

Applicable to 2020 financial statements

FRS 116 *Leases*

FRS 116 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use (ROU) asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to FRS 17 Leases. FRS 116 replaces existing lease accounting guidance, including *FRS 17 Leases, INT FRS 104 Determining whether an Arrangement contains a Lease, INT FRS 15 Operating Leases – Incentives, and INT FRS 27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The standard is effective for annual periods beginning on or after 1 April 2019, with early adoption permitted.

The Hospice plan to apply FRS 116 initially on 1 April 2019, using the modified retrospective approach. Therefore, the cumulative effect of adopting FRS 116 will be recognised as an adjustment to the opening balance of accumulated surplus at 1 April 2019, with no restatement of comparative information. The Hospice plan to apply the practical expedient to grandfather the definition of a lease on transition. This means that they will apply FRS 116 to all contracts entered into before 1 April 2019 and identified as lease in accordance with FRS 17 and INT FRS 104.

The Hospice as a lessee

The Hospice expects to measure lease liabilities by applying a single discount rate to their portfolio of leases. Furthermore, the Hospice will apply the practical expedient to recognise amounts of ROU assets equal to their lease liabilities at 1 April 2019. For lease contracts that contain the option to renew, the Hospice is expected to use hindsight in determining the lease term.

The Hospice expect their existing operating lease arrangements to be recognised as ROU assets with corresponding lease liabilities under FRS 116. Lease payments that are increased every five years to reflect market rentals, and those that are based on changes in local price index, are included in the measurement of lease liabilities as at date of initial application. In addition, the Hospice will no longer recognise provisions for operating leases that it assessed to be onerous. Instead, the Hospice will include the payments due under the lease in their lease liability.

The Hospice has performed a preliminary assessment of the new standard on its existing operating lease arrangements as a lessee. There are several existing non-cancellable operating lease agreements in which the Hospice is lessee. Overall, the Hospice expects these operating leases to be recognised as ROU assets with corresponding lease liabilities under the new standard. Such operating lease commitments on an undiscounted basis for the Hospice amounting to approximately $346,785 as at 31 March 2019 (note 21).
The nature of expenses related to those leases will change as FRS 116 replaces the straight- line operating lease expense with depreciation charge for ROU assets and interest expense on lease liabilities.

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 2017	4,538,567	3,396,418	27,578	133,312	844,452	172,558	327,428	1,091,773	10,532,086
Additions	–	13,127	2,400	27,156	125,955	4,308	–	41,831	214,777
Write-offs	–	–	–	–	(154,845)	(6,209)	–	(5,864)	(166,918)
At 31 March 2018	4,538,567	3,409,545	29,978	160,468	815,562	170,657	327,428	1,127,740	10,579,945
Additions	–	112,474	8,447	10,759	132,846	3,723	–	191,933	460,182
Write-offs	–	–	–	(5,509)	(120,487)	(155)	–	(49,584)	(175,735)
At 31 March 2019	4,538,567	3,522,019	38,425	165,718	827,921	174,225	327,428	1,270,089	10,864,392
Accumulated depreciation									
At 1 April 2017	3,115,514	2,184,685	21,598	117,695	529,086	154,578	158,765	764,647	7,046,568
Depreciation for the year	474,351	406,445	1,828	10,733	105,668	9,681	28,110	154,550	1,191,366
Write-offs	–	–	–	–	(143,967)	(4,968)	–	(5,864)	(154,799)
At 31 March 2018	3,589,865	2,591,130	23,426	128,428	490,787	159,291	186,875	913,333	8,083,135
Depreciation for the year	474,351	427,417	2,632	12,309	122,910	4,106	28,110	137,010	1,208,845
Write-offs	–	–	–	(4,703)	(104,880)	(64)	–	(49,584)	(159,231)
At 31 March 2019	4,064,216	3,018,547	26,058	136,034	508,817	163,333	214,985	1,000,759	9,132,749
Carrying amounts									
At 1 April 2017	1,423,053	1,211,733	5,980	15,617	315,366	17,980	168,663	327,126	3,485,518
At 31 March 2018	948,702	818,415	6,552	32,040	324,775	11,366	140,553	214,407	2,496,810
At 31 March 2019	474,351	503,472	12,367	29,684	319,104	10,892	112,443	269,330	1,731,643

Source of estimation uncertainty

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.

5 Financial assets – Investments

	Accumulated fund $	Endowment fund $	Total $
2019			
Financial assets mandatorily at fair value through profit or loss managed by external fund manager			
Quoted equity securities	–	3,679,465	3,679,465
Quoted debt securities	10,044,332	8,383,422	18,427,754
Unit trusts	9,065,564	7,352,037	16,417,601
Derivative assets – forward exchange contracts	2,249	3,745	5,994
	19,112,145	19,418,669	38,530,814
2018			
Financial assets held for trading managed by external fund manager			
Quoted equity securities	–	4,024,592	4,024,592
Quoted debt securities	503,185	–	503,185
Quoted preference shares	517,650	–	517,650
Unit trusts	16,751,346	16,087,831	32,839,177
	17,772,181	20,112,423	37,884,604

Derivative assets – Forward exchange contracts

	Reference currency	Principal Sell $	Principal Buy $	Fair value $
2019				
Accumulated fund	USD	7,537,935	7,540,184	2,249
Endowment fund	USD	8,907,769	8,911,514	3,745
				5,994

Fixed income securities bear coupon rates as at year end ranging from 1.95 % to 5.13% (2018: 1.11% to 5.75%).

Information about the Hospice's exposure to credit and currency risks, and fair value measurement is included in note 19.

Included in accumulated fund are $8,000,000 financial assets from capital restricted fund (note 8(ii)).

6 Grants, trade and other receivables

	2019 $	2018 $
Subvention grants receivable from Ministry of Health	358,559	291,773
Subvention grants receivable from National Healthcare Group	370,047	–
Grants receivable from Community Silver Trust Fund	1,490,305	990,774
Grants receivable from Temasek Care	–	26,512
Deposits	112,443	106,150
Interest receivable	127,116	18,279
Dividend receivable	1,836	–
Receivable from Palliative Care Centre for Excellence in Research and Education	119,894	–
Trade receivables, net of impairment	123,663	137,622
Other receivables	306,418	182,302
	3,010,281	1,753,412
Prepayments	457,015	106,460
	3,467,296	1,859,872

Palliative Care Centre for Excellence in Research and Education ("PalC") is a collaboration project between the Hospice, National Healthcare Group and Nanyang Technological University – Lee Kong Chian School of Medicine. The parties agree that PalC will be based at the Hospice's premises under a separate cost centre and the pooled fund will be held by the Hospice until such a time when PalC is to be registered as a legal entity. Receivable from PalC represents net expenses paid by the Hospice on behalf of PalC as the pool fund has not been established at reporting date.

Impairment losses

Impairment losses on financial assets recognised in statement of comprehensive income were as follows:

	2019 $	2018 $
Impairment loss on trade receivables arising from contracts with customers	18,600	–

The ageing of grants and other receivables at the reporting date is:

	2019		2018
	Not credit-impaired	**Credit-impaired**	
	$	**$**	**$**
Not past due	2,760,946	–	1,662,550
Past due 1 – 30 days	17,575	–	78,930
Past due 31 – 150 days	153,178	–	7,321
Past due 150 – 365 days	59,275	34,574	1,258
Past due over 365 days	–	9,733	3,353
Total gross carrying amount	2,990,974	44,307	1,753,412
Loss allowance	(3,700)	(21,300)	–
	2,987,274	23,007	1,753,412

Allowance for impairment losses are made based on the historical trend of incurred losses.

Expected credit loss assessment for individual customers as at 1 April 2018 and 31 March 2019

The Hospice uses an allowance matrix to measure the ECLs of trade receivables from individual customers.

Loss rate are calculated using a ‘roll rate’ method based on the probability of a receivable progressing through successive stages of delinquency to write-off.

The following table provides information about the exposure to credit risk and ECLs for trade receivables for individual customers as at 31 March 2019:

	Weighted average loss rate	**Gross**	**Impairment losses**
	%	**$**	**$**
Not past due	0.10	89,997	94
Past due 1 – 30 days	18.99	11,099	2,108
Past due 31 – 150 days	47.16	3,260	1,537
Past due 150 – 365 days	49.16	34,574	16,996
Past due over 365 days	43.82	9,733	4,265
		148,663	25,000

Loss rates are based on actual credit loss experience over the past four years. These rates are adjusted by scalar factors to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Hospice’s view of economic conditions over the expected lives of the receivables. These scalar factors are calculated using statistical models that determine numeric co-relation of loss rates with relevant economic variables.

Movements in allowance for impairment in respect of trade receivables

The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

	Lifetime ECL **$**
At 1 April 2018 per FRS 39	–
Adjustment on initial application of FRS 109	6,400
At 1 April 2018 per FRS 109	6,400
Impairment loss recognised	18,600
At 31 March 2019 per FRS 109	25,000

7 Cash and cash equivalents

	2019 **$**	**2018** **$**
Fixed deposits with financial institutions	4,382,684	3,901,566
Cash at bank and in hand	4,933,526	5,562,628
Cash and cash equivalents in statement of financial position	9,316,210	9,464,194
Less: Cash at bank in Medifund Account	(203,491)	(80,348)
Less: Fixed deposits with maturity more than 90 days at year end	(453,985)	–
Cash and cash equivalents in statement of cash flows	8,658,734	9,383,846

The effective interest rates per annum for fixed deposits as at year end ranged from 1.76 % to 1.94 % (2018: 0.94% to 1.38%) and reprice at intervals of one to twelve months.

Included in cash and cash equivalents is $5,421,576 (2018: $4,826,938) held on behalf of the Hospice by an external fund manager. The Hospice considers this amount as cash and cash equivalent as they are readily convertible to cash for utilisation of this amount for its operating requirements on short notice.

Included in cash at bank and in hand is $203,491 (2018: $80,348) held on behalf of the Medifund account.

8 Funds of the Hospice

(i) Restricted fund - Endowment fund

The Endowment fund is represented by the following:

	2019 $	2018 $
Financial assets	19,418,669	20,112,423
Other receivables	59,695	2,465
Cash and cash equivalents	1,866,533	789,458
Trade and other payables	(5,820)	(5,158)
	21,339,077	20,899,188

The Endowment fund comprises:

	2019 $	2018 $
Capital account	20,000,000	20,000,000
Accumulated surplus	1,339,077	899,188
	21,339,077	20,899,188

The Endowment fund was established on 1 September 1996 under Article 14 of the Dover Park Hospice Constitution. It comprises the capital account and accumulated surplus. The Capital of the Endowment Fund shall be $20,000,000 under revised Trust Deed signed by the Hospice and 3 trustees on 27 July 2016. According to Article 14, the accumulated surplus of the Endowment fund may be applied by the Governing Council for the purposes of the Hospice. No capital of the Endowment fund shall be expended without the approval of members of the Hospice at a general meeting.

The purpose of the Endowment fund is to provide a constant stream of income to the Hospice to supplement the Accumulated fund, the amount of which is subject to uncertainty.

Endowment fund amounting to $1,690,274 was reclassified to unrestricted fund during the year ended 31 March 2018 in accordance with the revised Trust Deed signed on 27 July 2016.

(ii) Restricted fund – Donations

These funds comprise the cumulative operating surplus arising from the restricted income and expenditure account for specific purposes transferred from the income and expenditure. Restricted funds used in purchase of property, plant and equipment are transferred to unrestricted funds.

The donations are represented by the following:

	2019	**2018**
	$	**$**
Dignity fund	321,489	459,500
Kuan Im Tng Temple/Seed Global Investment fund	87,941	122,800
Deutsche Bank fund	6,577	46,741
Respectance fund	28,396	37,016
Capital restricted fund	8,000,000	8,000,000
Others	58,979	14,205
	8,503,382	8,680,262

Dignity fund – This fund is set aside to further support needy patients under Programme Dignity.

Kuan Im Tng Temple/Seed Global Investment fund – This fund is set aside to purchase a van for transportation of bulky medical equipment, wheelchairs and for patients and medical staff to travel between the medical facilities and the patients' home more easily.

Deutsche bank fund – This fund is set aside to assist the special needs of patients and their families for non-medical items that are not funded under government schemes.

Respectance fund – This fund is set aside to help the needy patients who wish to die in their own home and family whose primary breadwinner has passed away. By having this fund, it helps to improve the quality of life for the patients and support their families.

Capital restricted fund – This fund is to be invested and preserved as a capital for 8 years up to 2026 and that only the income derived from the investment is to be used for the projects for the welfare and needs of the patients, including, but not limited to, the patients that are also under home care service.

Included in others is a $40,000 donation from donors, wherein the donation will be used to purchase music therapy equipment.

These restricted funds are represented by the following:

	2019	**2018**
	$	**$**
Financial assets	8,000,000	8,000,000
Cash and cash equivalents	503,382	680,262
	8,503,382	8,680,262

(iii) Unrestricted fund - Accumulated fund

The Accumulated fund is represented by the following:

	2019 $	2018 $
Property, plant and equipment	1,731,643	2,496,810
Financial assets	11,112,145	9,772,181
Grants, trade and other receivables	3,407,601	1,857,407
Cash and cash equivalents	6,946,295	7,994,474
Deferred capital grants	(1,044,852)	(1,484,290)
Trade and other payables	(5,810,187)	(4,623,143)
	16,342,645	16,013,439

Capital management

The capital structure of the Hospice consists of the Restricted fund - Endowment fund, Restricted fund - Donations and the Unrestricted fund - Accumulated fund. The Hospice's primary objective in capital management is to maintain the size of the capital account in its Endowment fund whilst having sufficient funds to continue to provide palliative care services through the Unrestricted fund.

Pursuant to the Code of Governance for Charities and Institutions of a Public Character 2017, Guideline 6.4.1b, the Governing Council has established a reserve policy ("Reserve Policy") for the Hospice. In setting the Reserve Policy, the Governing Council is of the view that it is more reasonable to use net liquid assets available to meet expenditure obligations as a reserve measurement instead of the full unrestricted funds. Unrestricted net liquid assets available to meet expenditure obligations is calculated as the sum of the financial assets, grants and other receivables, cash and cash equivalents less trade and other payables relating to the unrestricted funds. The reserves of the Hospice provide financial stability and the means for the development of its operations and activities. The Hospice intends to maintain the reserves at a level sufficient for its operating needs and the Governing Council regularly reviews the amount of reserves that are required to ensure that they are adequate to fulfil its continuing obligations.

	2019 $	2018 $
Unrestricted funds		
Financial assets	11,112,145	9,772,181
Grants, trade and other receivables	3,407,601	1,857,407
Cash and cash equivalents	6,946,295	7,994,474
Trade and other payables	(5,810,187)	(4,623,143)
Total unrestricted net liquid assets	15,655,854	15,000,919
Total operating expenditure	14,080,163	13,711,465
Ratio of net liquid assets to total operating expenditure	1.11	1.09

There were no changes in its approach to capital management during the year.

9 Deferred capital grants

	2019 $	2018 $
At 1 April	1,484,290	2,065,849
Capital grants received during the year	312,152	160,077
Amortisation for the year	(751,590)	(741,636)
At 31 March	1,044,852	1,484,290

Deferred capital grants comprise government grants and solicited donations received for the purpose of constructing, furnishing and equipping the Hospice.

Reconciliation of movements of liability to cash flows arising from financing activity

	Deferred capital grants $
Balance as at 1 April 2017	2,065,849
Changes from financing cash flows	
Capital grants received	160,077
Total changes from financing cash flows	160,077
Liability-related other changes	
Amortisation for the year	(741,636)
Total liability-related other changes	(741,636)
Balance as at 31 March 2018	1,484,290
Balance as at 1 April 2018	1,484,290
Changes from financing cash flows	
Capital grants received	312,152
Total changes from financing cash flows	312,152
Liability-related other changes	
Amortisation for the year	(751,590)
Total liability-related other changes	(751,590)
Balance as at 31 March 2019	1,044,852

10 Trade and other payables

	2019 $	2018 $
Trade payables	537,778	432,154
Accrued operating expenses	1,181,484	1,025,469
Advance membership subscriptions	821	1,000
Employees' short-term accumulating compensated absences	170,817	147,452
Other payables	603,431	123,276
	2,494,331	1,729,351
Deferred income - grants received from Community Silver Trust Fund	3,321,676	2,898,950
	5,816,007	4,628,301

The Community Silver Trust is a scheme whereby the government will provide a matching grant of one dollar for every donation dollar raised by eligible organisations. The objectives are to encourage more donations and provide additional resources for the service providers in the Intermediate and Long Term Care Sector and to enhance capabilities and provide value-added services to achieve affordable and higher quality care.

Community Silver Trust

	2019 $	2018 $
Balance at beginning of year	2,898,950	3,810,299
Add:		
- Matching grants received and receivable from Community Silver Trust	2,976,466	990,774
- Interest earned	54,835	36,632
Less: Refund of prior year's unutilised grant to MOH	(195,369)	(48,837)
Less: Utilisation		
- Operating expenditure	(2,101,054)	(1,729,841)
- Capital assets	(312,152)	(160,077)
Balance at the end year	3,321,676	2,898,950

The unutilised grants received from CST can be used towards improving capabilities of the Hospice.

11 Incoming resources from generated funds

	2019 $	2018 $
Tax exempt receipts	2,336,458	3,107,452
Non-tax exempt receipts	545,247	8,601,859
	2,881,705	11,709,311

12 Investment income

	Unrestricted fund Accumulated Fund $	Restricted fund Endowment Fund $	Total $
2019			
Interest income from banks	14,582	11,828	26,410
Interest income from fixed income securities	77,603	65,298	142,901
Dividend income	86,709	248,189	334,898
	178,894	325,315	504,209
2018			
Interest income from banks	21,526	367	21,893
Interest income from fixed income securities	55,615	8,403	64,018
Dividend income	26,601	212,423	239,024
	103,742	221,193	324,935

13 Net incoming resources

The following items have been included in arriving at net incoming resources:

	2019 $	2018 $
Other grants		
Grant income from Community Silver Trust	2,101,054	1,729,841
Grant income from Ministry of Health	1,216,960	1,585,961
Others	123,740	262,457
	3,441,754	3,578,259
Resources expended		
Depreciation of property, plant and equipment	(1,208,845)	(1,191,366)
Staff and related costs	(10,540,452)	(10,176,798)
Contributions to Central Provident Fund included in staff costs	(825,248)	(799,908)
Operating lease expenses	(324,204)	(262,553)

Source of estimation uncertainty

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.

14 Fundraising costs

	2019 $	2018 $
Auction items	55,456	76,171
Charity gala, food and beverages	73,699	95,258
Others	75,039	211,689
	204,194	383,118

15 Investment management expenses

	2019 $	2018 $
Management fee	126,559	98,003
Investment charges	7,636	7,968
Other charges	–	1,338
	134,195	107,309

16 Charitable activities

	2019 $	2018 $
Depreciation of property, plant and equipment	1,002,649	978,894
Staff and related costs	8,798,409	8,409,642
Operating lease expenses	292,698	228,421
Patient care expenses	716,381	687,748
Other operating expenses	327,701	231,526
	11,137,838	10,536,231

17 Governance activities

	2019 $	2018 $
Depreciation of property, plant and equipment	206,196	212,472
Staff and related costs	1,742,043	1,767,156
Operating lease expenses	31,506	34,132
Other operating expenses	893,151	922,237
	2,872,896	2,935,997

Staff costs under governance activities include cost of staff of the Hospice who are also involved in general running of the Hospice. It is not practicable to allocate their time accurately so as to apportion their salaries to fundraising and charitable activities.

Remuneration of employees

In compliance with the Code of Corporate Governance for Charities and Institutions of a Public Character 2017, Guideline 8.4, the annual remuneration of the Hospice's three highest paid staff who each received remuneration exceeding $100,000, in the following bands in the year are as follows:

	2019	**2018**
Number of employees in bands:		
$100,001 to $200,000	2	1
$200,001 to $300,000	1	2
$300,001 to $400,000	–	–

The Hospice entered into a service agreement for the purchase of medical consultancy services from Tan Tock Seng Hospital Pte Ltd which commenced on 1 July 2008. The service fees paid and payable to Tan Tock Seng Hospital Pte Ltd amounted to $1,133,650 (2018: $1,150,368).

The Hospice receives services from its volunteers. The volunteers are not remunerated for their services.

The total number of employees as at financial year end is 133 (2018: 127).

18 Income tax expense

The Hospice is an approved charity organisation under the Singapore Charities Act, Chapter 37 and an institution of a public character under the Income Tax Act, Chapter 134. No provision for taxation has been made in the financial statements as the Hospice is a registered charity with income tax exemption.

19 Financial instruments

Financial risk management

Overview

Risk management is integral to the whole operation of the Hospice. The Hospice 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 Governing Council continually monitors the Hospice's risk management process to ensure that an appropriate balance between risk and control is achieved.

The Hospice is exposed to credit risk, liquidity risk and market risk. This note presents information about the Hospice's exposure to each of these risks, the Hospice's objectives, policies and procedures and processes for measuring and managing risks. Further quantitative disclosures are included in these financial statements.

Credit risk

Credit risk is the risk of financial loss to the Hospice if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Hospice's receivables from counterparties and investment securities.

The Hospice has a credit policy in place which establishes credit limits for customers and monitors their balances on an ongoing basis. Cash and fixed deposits are placed with banks and financial institutions which are regulated.

As at year end, significant concentration of credit risk relates to cash at bank and fixed deposits placed with financial institutions in Singapore and financial assets held on behalf by a custodian. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position. The Hospice does not hold any collateral in respect of its financial assets.

On investment activities, the Investment Committee limits investments to bonds with at least an investment grade of BBB/Baa2 credit rating or above by Standard & Poor's or Moody's or equivalent, such as those rated by independent rating units of the fund managers. The fixed income securities comprise mainly government securities and corporate bonds with the above mentioned ratings.

Cash and cash equivalent

The Hospice held cash and cash equivalent of $9,316,210 at 31 March 2019 (2018: $9,464,194). The cash and cash equivalents are held with bank and financial institution counterparties.

Impairment on cash and cash equivalents has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Hospice considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties. The amount of the allowance on cash and cash equivalents was negligible.

Grants and other receivables

Impairment on these balances has been measured on the 12-month expected loss basis which reflects the low credit risk of the exposures. The amount of the allowance on these balances is insignificant.

Liquidity risk

Liquidity risk is the risk that the Hospice will not be able to meet its financial obligations as they fall due. The Hospice'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 both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Hospice's reputation.

Typically, the Hospice ensures that it has sufficient cash and cash equivalents to meet expected operational demands excluding the potential impact of extreme circumstances that cannot reasonably be predicted.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

	Note	Carrying amount $	Total contractual cash flows $	Within 1 year $
Non-derivative financial liabilities				
2019				
Trade and other payables*	10	2,494,331	(2,494,331)	(2,494,331)
2018				
Trade and other payables*	10	1,729,351	(1,729,351)	(1,729,351)

* Excludes deferred income

Market risk

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates and equity prices will affect the Hospice's income or value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

Interest rate risk

At the reporting date, the interest rate profile of the Hospice's interest bearing financial instruments, as reported to the management, was as follows:

	Nominal amount	
	2019 $	2018 $
Fixed rate instrument		
Fixed deposits with financial institutions	4,382,684	3,901,566

Fair value sensitivity analysis for fixed rate instruments

The Hospice does not account for fixed deposits with financial institutions at fair value through profit or loss. Therefore, a change in interest rates related to fixed deposits at the reporting date would not affect the net incoming resources for the year.

Price risk

Price risk arises mainly from quoted equity securities, quoted debt securities, unit trusts and forward exchange contracts. Price risk is the risk that the fair value or future cash flows of an investment will fluctuate because of changes in market prices, including changes in market interest rates, whether those changes are caused by factors specific to the individual investment or its issuer, or factors affecting all similar investments traded in the market.

Sensitivity analysis

The Hospice's investments are recognised at fair value through profit or loss. A 10% increase or decrease in the underlying prices at the reporting date would increase or decrease net incoming resources by $3,853,081 (2018: $3,788,460) respectively. This analysis assumes that all other variables remain constant.

Foreign currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Hospice is exposed to the effects of foreign currency exchange rate fluctuations, principally in United States dollar ("USD"). Forward foreign exchange contracts are held as economic hedges of financial assets and cash and cash equivalents denominated in foreign currency.

The Hospice's foreign currency exposures (amounts denominated in USD) presented in SGD equivalents are as follows:

	2019	2018
	$	$
Endownment fund		
Financial assets - Investments	8,886,817	1,367,341
Cash and cash equivalents	7,380	322
	8,894,197	1,367,663
Accumulated fund		
Financial assets - Investments	7,552,237	–
Cash and cash equivalents	5,612	–
	7,557,849	–

Sensitivity analysis

A 10% strengthening of the Singapore dollar, against the following currencies at 31 March would have decreased net incoming resources by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Hospice considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2018.

	Net incoming resources	
	Endownment fund	Accumulated fund
2019		
USD	889,420	755,785
2018		
USD	136,766	–

A 10% weakening of the Singapore dollar against the above currency at 31 March would have had the equal but opposite effect on the above currency to the amounts shown above, on the basis that all other variables remain constant.

Accounting classification and fair values

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

		Carrying amount				Fair value			
	Note	Mandatorily at fair value $	Amortised cost $	Other financial liabilities $	Total $	Level 1 $	Level 2 $	Level 3 $	Total $
2019									
Financial assets not measured at fair value									
Grants, trade and other receivables*	6	–	3,010,281	–	3,010,281				
Cash and cash equivalents	7	–	9,316,210	–	9,316,210				
		–	12,326,491	–	12,326,491				
Financial assets measured at fair value									
Financial assets - Investments	5	38,530,814	–	–	38,530,814	22,107,219	16,423,595	–	38,530,814
Financial liabilities not measured at fair value									
Trade and other payables**	10	–	–	(2,494,331)	(2,494,331)				

* Excludes prepayment
** Excludes deferred income

		Carrying amount				Fair value			
	Note	**Held-for-trading $**	**Loans and receivables $**	**Other financial liabilities $**	**Total $**	**Level 1 $**	**Level 2 $**	**Level 3 $**	**Total $**
2018									
Financial assets not measured at fair value									
Grants, trade and other receivables*	6	–	1,753,412	–	1,753,412				
Cash and cash equivalents	7	–	9,464,194	–	9,464,194				
		–	11,217,606	–	11,217,606				
Financial assets measured at fair value									
Financial assets - Investments	5	37,884,604	–	–	37,884,604	5,045,427	32,839,177	–	37,884,604
Financial liabilities not measured at fair value									
Trade and other payables**	10	–	–	(1,729,351)	(1,729,351)				

* Excludes prepayment
** Excludes deferred income

The following summarises the significant methods and assumptions used in estimating the fair values of financial instruments of the Hospice.

Investments

The fair values of financial assets mandatorily at fair value through profit or loss is determined by reference to their quoted bid prices (Level 1 fair value) at the reporting date, or when such information is unavailable, based on the number of subscribed units multiplied by the net asset value price quoted by external fund manager (Level 2 fair value).

Other financial assets and liabilities

The carrying amounts of financial assets and liabilities with a maturity of less than one year (including grants and other receivables, cash and cash equivalents, and trade and other payables) are assumed to approximate their fair values because of the short period to maturity.

Derivatives

The fair value of forward exchange contracts is determined using quoted forward exchange rates at the reporting date.

20 Related party transactions

Key management personnel remuneration

Key management personnel of the Hospice are those persons having the authority and responsibility for planning, directing and controlling the activities of the Hospice. The senior management are considered as key management personnel of the Hospice.

Key management personnel remuneration recognised in the statement of comprehensive income is as follows:

	2019	**2018**
	$	**$**
Key management personnel		
- short-term employee benefits	682,721	683,556

The Hospice is governed by the Governing Council. All members of the Governing Council are volunteers and received no monetary remuneration for their contribution to the Hospice.

Other related party transactions

Other than as disclosed elsewhere in the financial statements, transactions with related parties carried out in the normal course of business on terms agreed between the parties are as follows:

	2019	**2018**
	$	**$**
Donations received from Governing Council members	183,840	247,750

Two Council members who are the employee or Board member of the Tan Tock Seng Hospital Pte Ltd for which the Hospice procures services amounting to $1,133,650 (2018: $1,150,368).

21 Commitments

At the reporting date, the Hospice had the following commitment for future minimum lease payments under a non-cancellable operating lease for operation with a term of more than one year:

	2019 $	2018 $
Payable:		
Within one year	328,220	262,552
After one year but within five years	18,565	196,914
	346,785	459,466

The operating lease commitment mainly relate to the tenancy of the Hospice's land area and the leasing of copier machines. The lease runs for a period of two to three years with an option to renew the lease after that date.

22 Comparative information

During the current year, the Hospice changed its classification of unrealised foreign exchange losses in the statement of comprehensive income. Management believes that this provides a more relevant presentation of the expenses. This reclassification was applied retrospectively. The reclassification had no impact on the financial position, and no net impact on the net incoming resources and total comprehensive income, and cash flows for the current and comparative periods. Further details of the effects of the changes are set out below.

	31 March 2018 Impact of reclassification		
	As previously reported $	Adjustments $	As restated $
Restricted fund – Endowment fund			
Fair value gains on financial assets at fair value through profit or loss	505,499	37,216	542,715
Unrealised foreign exchange losses	–	(37,216)	(37,216)
Total funds			
Fair value gains on financial assets at fair value through profit or loss	424,396	37,216	461,612
Unrealised foreign exchange losses	–	(37,216)	(37,216)