



Dover Park Hospice
UEN Number: S92SS0138D
(Registered under the Societies Act 1966)

Charity Registration Number: 1019
(Registered under the Charities Act 1994)

Financial Statements
Year ended 31 March 2022

Corporate information

Registration

Dover Park Hospice (“the Hospice”) is registered as a Social Service Agency (previously referred to as Voluntary Welfare Organisation) in accordance with the Societies Act 1966. The Hospice is registered as a charity under the Charities Act 1994. 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 for 3 years from 1 October 2020 to 30 September 2023.

Registered Address

10 Jalan Tan Tock Seng
Singapore 308436

Governing Council

Chairman

A/Prof. Lim Fung Yen, Jeremy

Vice Chairman

Ms. Angelene Chan

Honorary Treasurer

Ms. Chen Dan, Diane

Honorary Secretary

Prof. Ho Yew Kee

Assistant Honorary Treasurer

Ms. Ong Ai Hua

Assistant Honorary Secretary

Ms. Cheng Yoke Ping

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Dr. Lee Kim Hock, Lionel

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Ms. Shefali Srinivas

Dr. Soh Hui Hian, Karen

Dr. Tanya Tierney

Ms. Woo E-Sah

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 FS47 present fairly, in all material respects, the financial position of the Hospice as at 31 March 2022 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 Societies Act 1966 (“the Societies Act”), the Charities Act 1994 and other relevant regulations (“the Charities Act and Regulations”) and Financial Reporting Standards in Singapore (“FRSs”).

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

On behalf of the Governing Council



A/Prof. Lim Fung Yen, Jeremy
Chairman, Governing Council



Ms. Chen Dan, Diane
Honorary Treasurer, Governing Council

26 July 2022



KPMG LLP
16 Raffles Quay #22-00
Hong Leong Building
Singapore 048581

Telephone +65 6213 3388
Fax +65 6225 0984
Internet www.kpmg.com.sg

Independent auditors' report

Members of Dover Park Hospice
(Registered under the Societies Act 1966 and Charities Act 1994)

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 2022, 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 FS47.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Societies Act 1966 (“the Societies Act”), the Charities Act 1994 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 2022 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 with 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 2021 to 31 March 2022 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

26 July 2022

Statement of financial position
As at 31 March 2022

	Note	2022 \$	2021 \$
Non-current asset			
Property, plant and equipment	4	1,016,499	757,020
Current assets			
Financial assets - Investments	5	52,332,720	46,498,530
Forward exchange contracts	5	91,514	–
Grants, trade and other receivables	6	2,782,528	3,022,057
Cash and cash equivalents	7	10,924,630	13,852,055
		66,131,392	63,372,642
Total assets		67,147,891	64,129,662
Funds of the Hospice:			
Restricted fund - Endowment fund	8(i)	22,894,265	23,225,600
Restricted fund - Donations	8(ii)	8,388,145	8,297,712
Unrestricted fund - Accumulated fund	8(iii)	21,197,211	20,222,733
Unrestricted fund - Serenity fund	8(iv)	79,843	–
Total funds		52,559,464	51,746,045
Non-current liabilities			
Lease liabilities	9	311,237	6,245
Deferred capital grants	10	207,759	300,425
		518,996	306,670
Current liabilities			
Forward exchange contracts	5	–	194,824
Lease liabilities	9	406,952	303,443
Trade and other payables	11	13,662,479	11,578,680
		14,069,431	12,076,947
Total liabilities		14,588,427	12,383,617
Total funds and liabilities		67,147,891	64,129,662
Net assets of PaIC	12	1,274,403	903,350

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

Statement of comprehensive income
Year ended 31 March 2022

<u>Financial activities/Income and expenditure</u>	Note	2022					2021			
		Unrestricted fund – Accumulated fund	Unrestricted fund – Serenity fund	Restricted fund – Donations	Restricted fund – Endowment fund	Total funds	Unrestricted fund – Accumulated fund	Restricted fund – Donations	Restricted fund – Endowment fund	Total funds
		\$	\$	\$	\$	\$	\$	\$	\$	\$
Incoming resources										
<i>Incoming resources from generated funds</i>										
Voluntary income	13	1,504,190	78,000	318,276	–	1,900,466	1,974,908	207,323	–	2,182,231
Income from fund-raising activities	13	1,594,608	–	–	–	1,594,608	1,404,699	–	–	1,404,699
Investment income	14	457,333	1,843	–	505,771	964,947	484,998	–	552,186	1,037,184
Others		241,651	–	–	–	241,651	256,278	–	–	256,278
		3,797,782	79,843	318,276	505,771	4,701,672	4,120,883	207,323	552,186	4,880,392
<i>Charitable activities</i>										
Patient fees		3,702,577	–	–	–	3,702,577	3,227,293	–	–	3,227,293
Government subvention grant		5,638,729	–	–	–	5,638,729	4,752,165	–	–	4,752,165
Other grants	15	5,909,398	–	–	–	5,909,398	5,807,168	–	–	5,807,168
Amortisation of deferred capital grants		170,555	–	–	–	170,555	517,153	–	–	517,153
		15,421,259	–	–	–	15,421,259	14,303,779	–	–	14,303,779
Total incoming resources		19,219,041	79,843	318,276	505,771	20,122,931	18,424,662	207,323	552,186	19,184,171
Resources expended										
<i>Cost of generating funds</i>										
Fundraising costs	16	(256,630)	–	–	–	(256,630)	(133,072)	–	–	(133,072)
Investment management expenses	17	(80,635)	–	–	(107,079)	(187,714)	(73,167)	–	(93,846)	(167,013)
		(337,265)	–	–	(107,079)	(444,344)	(206,239)	–	(93,846)	(300,085)
<i>Charitable activities</i>	18	(12,538,088)	–	(189,816)	–	(12,727,904)	(10,839,717)	(203,732)	–	(11,043,449)
<i>(Impairment loss on)/Reversal of trade receivables</i>	6	(7,473)	–	–	–	(7,473)	39,459	–	–	39,459
<i>Governance activities</i>	19	(4,385,352)	–	(32,677)	–	(4,418,029)	(4,106,610)	(15,000)	–	(4,121,610)
Total resources expended		(17,268,178)	–	(222,493)	(107,079)	(17,597,750)	(15,113,107)	(218,732)	(93,846)	(15,425,685)

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

Statement of comprehensive income (cont'd)
Year ended 31 March 2022

<u>Financial activities/Income and expenditure</u>	Note	2022				Total funds	2021			
		Unrestricted fund – Accumulated fund	Unrestricted fund – Serenity fund	Restricted fund – Donations	Restricted fund – Endowment fund		Unrestricted fund – Accumulated fund	Restricted fund – Donations	Restricted fund – Endowment fund	Total funds
		\$	\$	\$	\$	\$	\$	\$	\$	\$
Net incoming resources/(resources expended) before investment gains and losses	15	1,950,863	79,843	95,783	398,692	2,525,181	3,311,555	(11,409)	458,340	3,758,486
Fair value (losses)/gains on financial assets at FVTPL - Investments		(368,880)	–	–	(293,879)	(662,759)	808,565	–	1,267,754	2,076,319
Fair value gains/(losses) on financial assets at FVTPL - Forward exchange contracts	5	42,770	–	–	48,744	91,514	(92,284)	–	(102,540)	(194,824)
Unrealised foreign exchange losses		(64,381)	–	–	(76,926)	(141,307)	(221,129)	–	(358,285)	(579,414)
Realised foreign exchange (losses)/gains		(248,372)	–	–	(268,794)	(517,166)	211,429	–	321,119	532,548
(Losses)/gains on disposal of financial assets		(310,401)	–	–	(139,172)	(449,573)	220,992	–	566,661	787,653
Net incoming resources/(resources expended) for the year and total comprehensive income for the year		1,001,599	79,843	95,783	(331,335)	845,890	4,239,128	(11,409)	2,153,049	6,380,768

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

Statement of changes in funds
Year ended 31 March 2022

	Unrestricted fund – Accumulated fund \$	Unrestricted fund – Serenity fund \$	Restricted fund – Donations \$	Restricted fund – Endowment fund \$	Total funds \$
At 1 April 2020	15,983,605	–	8,309,121	21,072,551	45,365,277
Total comprehensive income for the year					
Net incoming resources/(resources expended) for the year, representing total comprehensive income for the year	4,239,128	–	(11,409)	2,153,049	6,380,768
At 31 March 2021	<u>20,222,733</u>	<u>–</u>	<u>8,297,712</u>	<u>23,225,600</u>	<u>51,746,045</u>
At 1 April 2021	20,222,733	–	8,297,712	23,225,600	51,746,045
Total comprehensive income for the year					
Net incoming resources/(resources expended) for the year, representing total comprehensive income for the year	1,001,599	79,843	95,783	(331,335)	845,890
Utilisation of funds	(27,121)	–	(5,350)	–	(32,471)
At 31 March 2022	<u>21,197,211</u>	<u>79,843</u>	<u>8,388,145</u>	<u>22,894,265</u>	<u>52,559,464</u>

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

Statement of cash flows
Year ended 31 March 2022

	Note	2022 \$	2021 \$
Cash flows from operating activities			
Net incoming resources for the year		845,890	6,380,768
Adjustments for:			
Amortisation of deferred capital grants	10	(170,556)	(517,153)
Depreciation of property, plant and equipment	4	688,222	1,056,540
Dividend income	14	(87,038)	(143,182)
Interest income	14	(877,909)	(894,002)
Interest expense		7,601	15,656
Impairment loss/(Reversal of loss) on grants, trade and other receivables	6	7,473	(39,459)
Variable lease payment	22	(100,299)	(131,807)
Net changes in fair value of financial assets - Investments		662,759	(2,076,319)
Net changes in fair value of financial assets - Forward exchange contracts		(91,514)	194,824
Unrealised foreign exchange losses		141,307	579,414
Property, plant and equipment written off	4	–	794
Losses/(gains) on disposal of financial assets		449,573	(787,653)
		<u>1,475,509</u>	<u>3,638,421</u>
Changes in working capital:			
Grants and other receivables		161,863	(659,049)
Trade and other payables		2,093,919	(839,082)
Utilisation of funds for operating activities		(32,471)	–
Net cash from operating activities		<u>3,698,820</u>	<u>2,140,290</u>
Cash flows from investing activities			
Dividend received		86,666	143,108
Interest received		948,474	922,424
Proceeds from disposal of financial assets		102,671,083	48,857,675
Purchase of financial assets		(109,953,736)	(50,264,378)
Purchase of property, plant and equipment	4	(135,918)	(72,393)
Fixed deposits (net)		–	8,564,394
Net cash (used in)/from investing activities		<u>(6,383,431)</u>	<u>8,150,830</u>
Cash flows from financing activities			
Payments of lease liabilities		(302,983)	(258,824)
Interest paid		(7,601)	(15,656)
Capital grants received	10	77,890	27,529
Net cash used in financing activities		<u>(232,694)</u>	<u>(246,951)</u>
Net (decrease)/increase in cash and cash equivalents		(2,917,305)	10,044,169
Cash and cash equivalents at beginning of the year		13,604,158	3,559,989
Cash and cash equivalents at end of the year	7	<u>10,686,853</u>	<u>13,604,158</u>

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

Notes to the financial statements

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Hospice's Governing Council on 26 July 2022.

1 Domicile and activities

Dover Park Hospice ("the Hospice") is a society registered with the Registrar of Societies under the Societies Act 1966, and has its registered office at 10 Jalan Tan Tock Seng, Singapore 308436.

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

The principal activities of the Hospice are those relating to the provision of inpatient, home care and day 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 for 3 years from 1 October 2020 to 30 September 2023.

2 Basis of preparation

2.1 Statement of compliance

The financial statements have been prepared in accordance with 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 12 – classification of joint arrangement
- Note 15 – 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 21.

2.5 Changes in accounting policies

New standards and amendments

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 2021:

- *Interest Rate Benchmark Reform – Phase 2 (Amendments to FRS 109, FRS 39, FRS 107, FRS 104 and FRS 116)*
- *Covid-19 Related Rent Concessions beyond 30 June 2021 (Amendment to FRS 116)*

Other than the *Covid-19 Related Rent Concessions beyond 30 June 2021 (Amendment to FRS 116)*, the application of these amendments to standards and interpretations does not have a material effect on the financial statements.

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, except as explained in note 2.5, which addresses changes in accounting policies.

3.1 Basis of consolidation

Joint operation

A joint operation is an arrangement in which the Hospice has joint control whereby the Hospice has rights to the assets, and obligations for the liabilities, relating to an arrangement. The Hospice accounts for each of its assets, liabilities and transactions, including its share of those held or incurred jointly, in relation to the joint operation.

3.2 Funds structure

The Unrestricted 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.

3.3 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. Hedge accounting is not applied to derivative instruments that economically hedge monetary assets and liabilities denominated in foreign currencies. The Hospice did not fulfil the hedge accounting requirements.

3.4 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:

Leased land	2.75 years
Building	25 years *
Facilities improvement	11 years *
Office equipment	2.8 to 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 2023. Accordingly, the facilities improvement and medical equipment are expected to be fully depreciated by 2023.

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

3.5 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

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 fair value through other comprehensive income (“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

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

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

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 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 either
 - substantially all of the risks and rewards of ownership of the financial asset are transferred;
 - or
 - 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.

Transferred assets are not derecognised when 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.

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

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.

3.6 Impairment

(i) Non-derivative financial assets

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 debtor 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 than 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 debtor;
- 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 debtor 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.

(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.

3.7 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 accumulated compensated absences

Short-term accumulated 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.

3.8 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.

3.9 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) Donation in kind

Donation in kind are recorded as donation income at an amount equivalent to the estimated value of the items donated when the value can be reasonably and reliably estimated.

(iii) 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.

(iv) 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.

(v) Investment income

Investment income comprises interest income on funds invested, dividend income and gains on disposal of financial assets 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 Leases

At inception of a contract, the Hospice assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(i) As a lessee

At commencement or on modification of a contract that contains a lease component, the Hospice allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property, the Hospice has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Hospice recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Hospice by the end of the lease term or the cost of the right-of-use asset reflects that the Hospice will exercise a purchase option. In that case, the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Hospice's incremental borrowing rate. Generally, the Hospice uses its incremental borrowing rate as the discount rate.

The Hospice determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Hospice is reasonably certain to exercise, lease payments in an optional renewal period if the Hospice is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Hospice is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Hospice's estimate of the amount expected to be payable under a residual value guarantee, if the Hospice changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Hospice presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'lease liabilities' in the statement of financial position.

Short-term leases and leases of low-value assets

The Hospice has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including leases of motor vehicles. The Hospice recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The Hospice has applied *COVID-19-Related Rent Concessions – Amendment to FRS 16*. The Hospice applies the practical expedient allowing it not to assess whether eligible rent concessions that are a direct consequence of the COVID-19 pandemic are lease modifications. The Hospice applies the practical expedient consistently to contracts with similar characteristics and in similar circumstance. For rent concessions in leases to which the Group chooses not to apply the practical expedient, or that do not qualify for the practical expedient, the Hospice assess whether there is a lease modification.

3.12 Adoption of new standards not yet adopted

A number of new standards, interpretations and amendments to standards are effective for annual periods beginning after 1 April 2022 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 new FRSs, interpretations and amendments to FRSs are not expected to have a significant impact on the Hospice's financial statements.

The following new FRSs, interpretations and amendments to FRSs are not expected to have a significant impact on the Company's financial statements.

- *FRS 117 Insurance Contracts* and amendments to *FRS117 Insurance Contracts*
- *Reference to the Conceptual Framework* (Amendments to FRS 103)
- *Property, Plant and Equipment – Proceeds before Intended Use* (Amendments to FRS 16)
- *Onerous Contracts – Costs of Fulfilling a Contract* (Amendments to FRS 37)
- *Classification of Liabilities as Current or Non-current* (Amendments to FRS 1)
- *Annual Improvements to FRS(I)s 2018 – 2020*
- *Disclosure of Accounting Policies* (Amendments to *FRS1* and *FRS 1 Practice Statement 2*)
- *Definition on Accounting Estimates* (Amendments to FRS 8)
- *Deferred Tax related to Assets and Liabilities arising from a Single Transaction* (Amendments to FRS 12)

4 Property, plant and equipment

	Leased land \$	Building \$	Facilities improve- ment \$	Office equipment \$	Plant and equipment \$	Medical equipment \$	Furniture and fittings \$	Motor vehicles \$	Computer equipment \$	Total \$
Cost										
At 1 April 2020	1,049,036	4,538,567	3,881,093	70,213	185,292	820,697	175,425	419,620	1,544,005	12,683,948
Additions	–	–	–	2,436	2,800	1,135	1,120	–	64,902	72,393
Write-offs	–	–	–	(4,557)	(12,438)	(36,341)	(34,430)	–	–	(87,766)
At 31 March 2021	1,049,036	4,538,567	3,881,093	68,092	175,654	785,491	142,115	419,620	1,608,907	12,668,575
At 1 April 2021	1,049,036	4,538,567	3,881,093	68,092	175,654	785,491	142,115	419,620	1,608,907	12,668,575
Additions	811,783	–	–	3,824	7,324	47,550	1,030	–	76,190	947,701
Write-offs	–	–	–	(16,603)	(3,543)	(63,834)	–	(46,324)	–	(130,304)
At 31 March 2022	1,860,819	4,538,567	3,881,093	55,313	179,435	769,207	143,145	373,296	1,685,097	13,485,972
Accumulated depreciation										
At 1 April 2020	381,468	4,538,567	3,631,520	32,482	143,234	649,743	165,735	252,059	1,147,179	10,941,987
Depreciation for the year	381,468	–	249,573	13,231	15,376	171,631	3,973	37,331	183,957	1,056,540
Write-offs	–	–	–	(4,279)	(12,438)	(35,883)	(34,372)	–	–	(86,972)
At 31 March 2021	762,936	4,538,567	3,881,093	41,434	146,172	785,491	135,336	289,390	1,331,136	11,911,555

	Leased land \$	Building \$	Facilities improve ment \$	Office equipment \$	Plant and equipment \$	Medical equipment \$	Furniture and fittings \$	Motor vehicles \$	Computer equipment \$	Total \$
Accumulated depreciation										
At 1 April 2021	762,936	4,538,567	3,881,093	41,434	146,172	785,491	135,336	289,390	1,331,136	11,911,555
Depreciation for the year	387,573	–	–	12,602	11,051	47,550	2,736	37,330	189,380	688,222
Write-offs	–	–	–	(16,603)	(3,543)	(63,834)	–	(46,324)	–	(130,304)
At 31 March 2022	<u>1,150,509</u>	<u>4,538,567</u>	<u>3,881,093</u>	<u>37,433</u>	<u>153,680</u>	<u>769,207</u>	<u>138,072</u>	<u>280,396</u>	<u>1,520,516</u>	<u>12,469,473</u>
Carrying amounts										
At 1 April 2020	<u>667,568</u>	<u>–</u>	<u>249,573</u>	<u>37,731</u>	<u>42,058</u>	<u>170,954</u>	<u>9,690</u>	<u>167,561</u>	<u>396,826</u>	<u>1,741,961</u>
At 31 March 2021	<u>286,100</u>	<u>–</u>	<u>–</u>	<u>26,658</u>	<u>29,482</u>	<u>–</u>	<u>6,779</u>	<u>130,230</u>	<u>277,771</u>	<u>757,020</u>
At 31 March 2022	<u>710,310</u>	<u>–</u>	<u>–</u>	<u>17,880</u>	<u>25,755</u>	<u>–</u>	<u>5,073</u>	<u>92,900</u>	<u>164,581</u>	<u>1,016,499</u>

Property, plant and equipment includes right-of-use (“ROU”) assets of \$716,286 (2021: \$299,827) related to leased land and office equipment.

Property, plant and equipment also includes donation in kind assets of \$4,076 (2021: \$2,800).

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 \$	Serenity fund \$	Endowment fund \$	Total \$
2022				
Financial assets mandatorily at fair value through profit or loss				
Quoted equity securities	1,843,214	7,431	2,109,824	3,960,469
Quoted debt securities	22,608,302	49,045	13,651,005	36,308,352
Unit trusts	5,339,075	21,524	6,703,300	12,063,899
	<u>29,790,591</u>	<u>78,000</u>	<u>22,464,129</u>	<u>52,332,720</u>
Financial assets mandatorily at fair value through profit or loss				
Forward exchange contracts	42,770	–	48,744	91,514
2021				
Financial assets mandatorily at fair value through profit or loss				
Quoted equity securities	891,395	–	4,370,504	5,261,899
Quoted debt securities	15,595,871	–	11,881,309	27,477,180
Unit trusts	6,859,398	–	6,900,053	13,759,451
	<u>23,346,664</u>	<u>–</u>	<u>23,151,866</u>	<u>46,498,530</u>
Financial liabilities mandatorily at fair value through profit or loss				
Forward exchange contracts	(92,284)	–	(102,540)	(194,824)

Included in accumulated fund are \$8,000,000 (2021: \$8,000,000) of financial assets from capital restricted fund (note 8(ii)).

Forward exchange contracts

	Reference currency	Principal		Fair value \$
		Sell \$	Buy \$	
2022				
Accumulated fund	USD	12,098,614	12,141,384	42,770
Endowment fund	USD	13,940,708	13,989,452	48,744
				91,514
2021				
Accumulated fund	USD	10,131,370	10,039,086	(92,284)
Endowment fund	USD	12,377,238	12,274,698	(102,540)
				(194,824)

Forward foreign exchange contracts are held as economic hedges of financial assets and cash and cash equivalents denominated in a foreign currency.

Quoted debt securities bear coupon rates as at year end ranging from 0.8% to 4.94% (2021: 1.50% to 5.12%) per annum.

Information about the Hospice's exposure to credit and currency risks, and fair value measurement is included in note 21.

6 Grants, trade and other receivables

	2022 \$	2021 \$
Subvention grants receivable from Ministry of Health	855,180	938,440
Deposits	116,319	114,880
Interest receivable	151,953	222,518
Dividend receivable	1,145	773
Trade receivables, net of impairment	480,900	231,948
Grants receivables from Job Support Scheme	–	101,434
Patient fee accrual	218,481	522,730
Other receivables	532,276	733,273
	2,356,254	2,865,996
Prepayments	426,274	156,061
	2,782,528	3,022,057

In the prior year, the Job Support Scheme was announced at the Budget 2020 whereby the government will provide grants to the eligible organisations during the period of economic uncertainty due to the COVID-19 outbreak. The purpose of the scheme is to provide wage support to employers to help them retain their local employees.

Impairment losses

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

	2022	2021
	\$	\$
Impairment loss/(reversal of loss) on trade receivables arising from contracts with customers	7,473	(39,459)

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

	2022	2021
	Not credit-impaired	Not credit-impaired
	\$	\$
Not past due	2,117,235	2,781,647
Past due 1 – 30 days	201,225	28,477
Past due 31 – 150 days	13,534	16,436
Past due 151 – 365 days	1,719	13,858
Past due over 365 days	63,336	58,900
Total gross carrying amount	2,397,049	2,899,318
Loss allowance	(40,795)	(33,322)
	2,356,254	2,865,996

Allowance for impairment losses are made based on the historical trend of incurred losses with a forward-looking overlay factor.

Expected credit loss assessment for individual customers

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

Loss rates 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 as at 31 March:

	Weighted average loss rate	Gross	Impairment loss
	%	\$	\$
2022			
Not past due	1.0	241,881	(1,766)
Past due 1 – 30 days	13.0	201,225	(26,670)
Past due 31 – 150 days	5.0	13,534	(723)
Past due 151 – 365 days	68.0	1,719	(1,175)
Past due over 365 days	17.0	63,336	(10,461)
		521,695	(40,795)

	Weighted average loss rate %	Gross \$	Impairment loss \$
2021			
Not past due	1.0	166,763	(2,003)
Past due 1 – 30 days	17.0	26,133	(4,539)
Past due 31 – 150 days	20.0	4,987	(1,008)
Past due 151 – 365 days	48.0	9,143	(4,358)
Past due over 365 days	36.0	57,819	(20,989)
		<u>264,845</u>	<u>(32,897)</u>

Loss rates are based on actual credit loss experience over the past four years (2021: 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 2020	72,781
Reversal of impairment loss recognised	<u>(39,459)</u>
At 31 March 2021	33,322
Impairment loss recognised	<u>7,473</u>
At 31 March 2022	<u>40,795</u>

7 Cash and cash equivalents

	2022 \$	2021 \$
Fixed deposits with financial institutions	–	8,726,705
Cash at bank and in hand	10,924,630	5,125,350
Cash and cash equivalents in statement of financial position	<u>10,924,630</u>	<u>13,852,055</u>
Less: Cash at bank in Medifund Account	<u>(237,777)</u>	<u>(247,897)</u>
Cash and cash equivalents in statement of cash flows	<u>10,686,853</u>	<u>13,604,158</u>

The effective interest rates per annum for fixed deposits as at year end is nil (2021: 0.15% to 1.89%) and reprice at intervals of between one to twelve months.

Included in cash and cash equivalents is \$3,480,163 (2021: \$8,959,019) held on behalf of the Hospice by an external fund manager. The Hospice considers this amount as cash and cash equivalents as it is 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 \$237,777 (2021: \$247,897) held on behalf of the Medifund Account.

The Hospice holds a bank account with a balance of \$1,373,862 (2021: \$913,061) on behalf of PaIC (note 12). The Hospice's one third share of this bank balance is \$457,954 (2021: \$304,354), which is included in cash at bank and in hand above.

8 Funds of the Hospice

(i) Restricted fund - Endowment fund

The Endowment fund is represented by the following:

	2022	2021
	\$	\$
Financial assets - Investments	22,464,129	23,151,866
Other receivables	72,753	104,608
Cash and cash equivalents	1,805,762	78,000
Forward exchange contracts	48,744	(102,540)
Trade and other payables	(1,497,123)	(6,334)
	<u>22,894,265</u>	<u>23,225,600</u>

The Endowment fund comprises:

	2022	2021
	\$	\$
Capital account	20,000,000	20,000,000
Accumulated surplus	2,894,265	3,225,600
	<u>22,894,265</u>	<u>23,225,600</u>

The Endowment fund was established on 1 September 1996 under Article 14 of the Dover Park Hospice Constitution. 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 over the valuation on the financial instruments held under the Endowment fund.

It comprises the capital account and accumulated surplus. The Capital of the Endowment Fund was \$20,000,000 under revised Trust Deed signed by the Hospice and three 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.

(ii) Restricted fund – Donations

These funds comprise the cumulative operating surplus arising from the restricted income and expenditure account for specific purposes transferred from 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 funds:

	2022	2021
	\$	\$
Dignity fund	6,265	54,243
Dove fund	136,949	145,644
Deutsche Bank fund	1,879	6,096
Capital restricted fund	8,000,000	8,000,000
Others	243,052	91,729
	<u>8,388,145</u>	<u>8,297,712</u>

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

Dove fund – This fund is set aside to help the needy patients who wish to spend the remaining days of their lives at home and/or families whose primary breadwinner has passed away. By having this fund, it helps these patients to live life till the end with dignity and support their grieving families.

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.

Capital restricted fund – This fund is to be invested and preserved as a capital for 8 years up to December 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. After 2026, the capital can be used in accordance with the prevailing policies and rules that the Governing Council of the Hospice had set up for the fund. The investment income from this fund is recognised in the Accumulated fund.

Included in others are prior donations of \$19,603 (2021: \$19,603), which will be used to purchase music therapy equipment, as well as donations of \$41,958 (2021: \$45,000), which will be used in the Make It Happen project which aims to fulfil patient’s last wishes.

These restricted funds are represented by the following:

	2022	2021
	\$	\$
Financial assets - Investments	8,000,000	8,000,000
Cash and cash equivalents	388,145	297,712
	<u>8,388,145</u>	<u>8,297,712</u>

(iii) Unrestricted fund - Accumulated fund

The Accumulated fund is represented by the following:

	Note	2022 \$	2021 \$
Property, plant and equipment	4	1,016,499	757,020
Financial assets - Investments		21,790,591	15,346,664
Grants, trade and other receivables		2,709,775	2,917,449
Cash and cash equivalents		8,728,880	13,476,343
Forward exchange contracts	5	42,770	(92,284)
Deferred capital grants	10	(207,759)	(300,425)
Lease liabilities	9	(718,189)	(309,688)
Trade and other payables		(12,165,356)	(11,572,346)
		21,197,211	20,222,733

Included in cash and cash equivalents is \$237,777 (2021: \$247,897) held on behalf of the Medifund Account (note 7).

(iv) Unrestricted fund – Serenity fund

The Serenity fund is represented by the following:

	2022 \$
Financial assets - Investments	78,000
Cash and cash equivalents	1,843
	79,843

The Serenity fund comprises:

	2022 \$
Capital account	78,000
Accumulated surplus	1,843
	79,843

The Serenity fund was established on 21 July 2020 as an unrestricted fund of Dover Park Hospice. The purpose of the Serenity fund is to provide long term sustainability and capacity building in order to provide quality hospice and palliative care for patients who are diagnosed with life threatening diseases.

Capital management

The capital structure of the Hospice consists of the Restricted fund - Endowment fund, Restricted fund - Donations and the Unrestricted fund - Accumulated fund and Serenity 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 - Accumulated fund and Restricted fund - Donations.

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.

	2022	2021
	\$	\$
<u>Unrestricted funds</u>		
Financial assets – investments	21,868,591	15,346,664
Grants, trade and other receivables	2,709,775	2,917,449
Cash and cash equivalents	8,730,723	13,476,343
Forward exchange contracts	42,770	(92,284)
Trade and other payables	(12,165,356)	(11,572,346)
Total unrestricted net liquid assets	21,186,503	20,075,826
Total operating expenditure	17,268,178	15,113,107
Ratio of net liquid assets to total operating expenditure	1.23	1.33

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

9 Lease liabilities

	2022	2021
	\$	\$
Non-current liabilities		
Lease liabilities	311,237	6,245
Current liabilities		
Lease liabilities	406,952	303,443

Terms and repayment schedule

Terms and conditions of outstanding lease liabilities are as follows:

	Currency	Incremental borrowing rate %	Year of maturity	2022		2021	
				Face value \$	Carrying amount \$	Face value \$	Carrying amount \$
Lease liabilities	SGD	1.8-3	2022-2024	730,530	718,189	313,068	309,688

Reconciliation of movements of liabilities to cash flows arising from financing activities

	Lease liabilities	
	2022	2021
	\$	\$
Balance at 1 April	309,688	700,319
Changes from financing cash flows		
Payment of lease liabilities	(302,983)	(258,824)
Interest paid	(7,601)	(15,656)
Total changes from financing cash flows	(310,584)	(274,480)
Other changes		
New leases	811,783	–
Variable lease payment	(100,299)	(131,807)
Interest expense	7,601	15,656
Total other changes	719,085	(116,151)
Balance at 31 March	718,189	309,688

10 Deferred capital grants

	2022	2021
	\$	\$
At 1 April	300,425	790,049
Capital grants received during the year	77,890	27,529
Amortisation for the year	(170,556)	(517,153)
At 31 March	207,759	300,425

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	
	2022	2021
	\$	\$
Balance as at 1 April	300,425	790,049
Changes from financing cash flows		
Capital grants received	77,890	27,529
Total changes from financing cash flows	77,890	27,529

	Deferred capital grants	
	2022	2021
	\$	\$
Liability-related other changes		
Amortisation for the year	(170,556)	(517,153)
Total liability-related other changes	(170,556)	(517,153)
 Balance as at 31 March	207,759	300,425

11 Trade and other payables

	2022	2021
	\$	\$
Trade payables	1,876,346	114,763
Accrued operating expenses	1,667,361	1,691,634
Advance membership subscriptions	923	1,191
Employees' short-term accumulated compensated absences	353,704	342,402
Payables to Palliative Care Centre for Excellence in Research and Education ("PalC")	–	6,377
Other payables	2,990,685	688,214
	6,889,019	2,844,581
Deferred income - grants received/receivable from		
- Community Silver Trust Fund	6,773,460	8,566,290
- Job Support Scheme	–	167,809
	13,662,479	11,578,680

Payables to PalC represents net income received by the Hospice on behalf of PalC at 31 March 2022. In 2020, the Hospice set up the pooled fund (note 12).

Included in other payables is net GST payable to Inland Revenue Authority of Singapore ("IRAS") of \$58,444 (2021: \$282,876).

The Community Silver Trust ("CST") 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 ('CST')

Movement of the deferred income in relation to the CST during the year is as follows:

	2022	2021
	\$	\$
Balance as at 1 April	8,566,290	9,198,422
Add:		
- Matching grants received and receivable from CST	1,941,769	3,042,230
- Interest (charged)/earned, net of fees	(13,371)	93,589
Less: Refund of prior year's unutilised grant to MOH	–	(52,905)
Less: Utilisation on:		
- Operating expenditure	(3,668,533)	(3,691,276)
- Capital assets	(52,695)	(23,770)
Balance as at 31 March	<u>6,773,460</u>	<u>8,566,290</u>

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

12 Palliative Care Centre for Excellence in Research and Education

The Palliative Care Centre for Excellence in Research and Education ("PalC") is a tripartite collaboration between Dover Park Hospice, Nanyang Technological University Lee Kong Chian School of Medicine and the National Healthcare Group which was established in October 2017.

Under the Terms of Agreement, each of the entities agreed to contribute \$300,000 for the purpose of developing and providing quality, evidence-based training and education programmes to build and nurture capabilities, capacities and connectedness in healthcare professionals and volunteers, so that they may competently support patients to live comfortable, productive and dignified lives.

PalC is a joint operation in which the Hospice has joint control via the Terms of Agreement. PalC is not structured as a separate vehicle and the Hospice has rights to the assets, and obligations for the liabilities. Accordingly, the Hospice accounts for PalC's assets, liabilities and transactions, at its one third share of those held or incurred jointly, in relation to PalC's operation.

The Hospice has set up pooled fund in 2020, to receive and make payment on behalf for PalC.

The assets and liabilities of PalC are as follows:

	2022	2021
	\$	\$
Balance as at 1 April	903,350	913,588
Seed funding	300,000	–
Voluntary income	200,000	–
Others	197,093	168,668
Less:		
Fund utilised during the year	(326,040)	(178,906)
Balance as at 31 March	<u>1,274,403</u>	<u>903,350</u>

	2022	2021
	\$	\$
Represented by:		
Property, plant and equipment	–	633
Cash and cash equivalents	1,373,862	913,061
Grants, trade and other receivables	23,572	48,380
Trade and other payables	(123,031)	(58,724)
Net assets	1,274,403	903,350

13 Incoming resources from generated funds

	2022	2021
	\$	\$
Tax exempt receipts	2,421,969	2,172,201
Non-tax exempt receipts	1,073,105	1,414,729
	3,495,074	3,586,930

The Hospice was one of the beneficiaries of the President’s Challenge 2021. Included in non-tax exempt receipts was a donation amounting to \$36,505 (2021: \$15,645) that was received from the National Council of Social Service on 25 February 2022 (2021: 25 March 2021). The donation was used to defray the cost of the Hospice’s service contract for its Home Care Consultant charge.

14 Investment income

	Unrestricted fund – Accumulated fund	Unrestricted fund – Serenity fund	Restricted fund – Endowment fund	Total
	\$	\$	\$	\$
2022				
Interest income from cash and cash equivalents	246	–	–	246
Interest income from quoted debt securities	436,463	1,760	439,440	877,663
Dividend income	20,624	83	66,331	87,038
	457,333	1,843	505,771	964,947
2021				
Interest income from cash and cash equivalents	52	–	53	105
Interest income from quoted debt securities	439,068	–	454,829	893,897
Dividend income	45,878	–	97,304	143,182
	484,998	–	552,186	1,037,184

15 Net incoming resources

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

	2022	2021
	\$	\$
Other grants		
Grant income from Community Silver Trust	3,668,533	3,691,276
Grant income from Ministry of Health	114,561	105,236
Grant income from Job Support Scheme	167,749	1,215,919
Grant income from Community Care Salary Enhancement	586,677	–
Grant income from Covid-19 Healthcare Award	475,331	–
Others	896,547	794,737
	<u>5,909,398</u>	<u>5,807,168</u>
Resources expended		
Depreciation of property, plant and equipment	(688,222)	(1,056,540)
Staff and related costs	(13,692,274)	(11,690,859)
Contributions to Central Provident Fund included in staff costs	(1,080,548)	(953,107)
Operating lease expenses	(19,958)	(14,940)
	<u>(15,587,502)</u>	<u>(13,715,446)</u>

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.

In the current year, the Hospice received grant income from the Agency for Integrated Care under the Community Care Salary Enhancement exercise to fund a mandatory increment of monthly base salary.

The Hospice also received grant income under Covid-19 Healthcare Award from the Agency for Integrated Care to fund the Hospice's cash awards given to direct-hires and outsourced staff who were involved in the delivery of MOH-funded healthcare services at the forefront of the fight against Covid-19.

16 Fundraising costs

	2022	2021
	\$	\$
Auction items	610	–
Charity gala, food and beverages	198,984	121,860
Others	57,036	11,212
	<u>256,630</u>	<u>133,072</u>

17 Investment management expenses

	2022	2021
	\$	\$
Management fee	141,048	134,685
Investment charges	46,666	32,328
	187,714	167,013

18 Charitable activities

	2022	2021
	\$	\$
Depreciation of property, plant and equipment	225,400	568,818
Staff and related costs	11,000,272	9,396,767
Operating lease expenses	19,958	14,940
Patient care expenses	1,158,868	817,742
Other operating expenses	323,406	245,182
	12,727,904	11,043,449

19 Governance activities

	2022	2021
	\$	\$
Depreciation of property, plant and equipment	462,822	487,722
Staff and related costs	2,692,002	2,294,092
Other operating expenses	1,263,205	1,339,796
	4,418,029	4,121,610

Staff costs under governance activities include cost of staff of the Hospice who are also involved in general running of the Hospice.

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 (2021: \$100,000), in the following bands in the year are as follows:

	2022	2021
Number of employees, of the three highest paid staff, in bands:		
\$100,001 to \$200,000	–	–
\$200,001 to \$300,000	2	3
\$300,001 to \$400,000	1	–
	1	–

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

The total number of employees including the effective number of seconded personnel as at financial year end is 151 (2021: 136).

20 Income tax expense

The Hospice is an approved charity organisation under the Charities Act 1994 and an institution of a public character under the Income Tax Act 1947. No provision for taxation has been made in the financial statements as the Hospice is a registered charity with income tax exemption.

21 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 equivalents

The Hospice held cash and cash equivalents of \$10,924,630 at 31 March 2022 (2021: \$13,852,055). The cash and cash equivalents are held with bank and financial institution counterparties which are rated AA-, based on Standard & Poor's rating.

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 ECL impairment estimated on cash and cash equivalents was negligible to provide.

Grants, deposits 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 ECL impairment estimated on grants, deposits and other receivables were negligible to provide.

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 \$	1 – 5 years
2022					
Non-derivative financial liabilities					
Trade and other payables*	11	6,889,019	(6,889,019)	(6,889,019)	–
Lease liabilities	9	718,189	(730,530)	(416,856)	(313,674)
		<u>7,607,208</u>	<u>(7,619,549)</u>	<u>(7,305,875)</u>	<u>(313,674)</u>
2021					
Non-derivative financial liabilities					
Trade and other payables*	11	2,844,581	(2,844,581)	(2,844,581)	–
Lease liabilities	9	309,688	(313,068)	(306,360)	(6,708)
		<u>3,154,269</u>	<u>(3,157,649)</u>	<u>(3,150,941)</u>	<u>(6,708)</u>
Derivative financial instruments					
Forward exchange contracts					
- Outflow		(22,313,784)	(22,313,784)	(22,313,784)	–
- Inflow		22,508,608	22,508,608	22,508,608	–
	5	<u>194,824</u>	<u>194,824</u>	<u>194,824</u>	–

* 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	
	2022	2021
	\$	\$
Fixed rate instruments		
Fixed deposits with financial institutions	–	8,726,705
Financial assets – Investments	34,559,947	27,484,576
	34,559,947	36,211,281
Variable rate instruments		
Financial assets – Investments	2,729,006	542,150
	2,729,006	542,150

Fair value sensitivity analysis for fixed rate instruments

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

Cash flow sensitivity analysis for variable rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased or decreased net incoming resources by the amounts shown below. This analysis assumes that all other variables remain constant.

	Net incoming resources	
	100 bp increase	100 bp decrease
	\$	\$
2022		
Variable rate instruments	27,290	(27,290)
	27,290	(27,290)
2021		
Variable rate instruments	5,422	(5,422)
	5,422	(5,422)

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 \$5,233,272 (2021: \$4,649,853) 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.

Foreign exchange risk related to the principal amounts of the Hospice's USD financial assets and cash and cash equivalents, have been substantially mitigated using forward contracts to ensure the Hospice's net foreign exchange exposure is kept to a minimal level.

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

	2022	2021
	\$	\$
Endowment fund		
Financial assets - Investments	11,006,955	12,494,215
Cash and cash equivalents	478	639
	11,007,433	12,494,854
 Accumulated fund		
Financial assets - Investments	9,575,905	10,241,586
Cash and cash equivalents	198	196
	9,576,103	10,241,782
 Serenity fund		
Financial assets - Investments	38,605	-
	38,605	-

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 2021.

	Net incoming resources		
	Endowment fund	Accumulated fund	Serenity fund
2022			
USD	1,100,743	957,610	3,861
2021			
USD	1,249,485	1,024,178	–

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.

As disclosed above, the Hospice is exposed to the effects of foreign currency exchange rate fluctuations, principally in United States dollar (“USD”). Forward foreign exchange contracts have been entered into as economic hedges of financial assets and cash and cash equivalents denominated in foreign currency, to mitigate the impact of foreign currency exchange rate fluctuations.

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.

	Note	Carrying amount			Fair value				
		Mandatorily at fair value \$	Amortised cost \$	Other financial liabilities \$	Total \$	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
2022									
Financial assets not measured at fair value									
Grants, trade and other receivables*	6	–	2,356,254	–	2,356,254				
Cash and cash equivalents	7	–	10,924,630	–	10,924,630				
		–	13,280,884	–	13,280,884				
Financial assets measured at fair value									
Financial assets - Investments	5	52,332,720	–	–	52,332,720	40,268,821	12,063,899	–	52,332,720
Financial assets measured at fair value									
Forward exchange contracts	5	91,514	–	–	91,514	–	91,514	–	91,514
Financial liabilities not measured at fair value									
Trade and other payables**	11	–	–	(6,889,019)	(6,889,019)				

* Excludes prepayment

** Excludes deferred income

	Note	Carrying amount			Fair value				
		Mandatorily at fair value \$	Amortised cost \$	Other financial liabilities \$	Total \$	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
2021									
Financial assets not measured at fair value									
Grants, trade and other receivables*	6	–	2,865,996	–	2,865,996				
Cash and cash equivalents	7	–	13,852,055	–	13,852,055				
		–	16,718,051	–	16,718,051				
Financial assets measured at fair value									
Financial assets - Investments	5	46,498,530	–	–	46,498,530	32,739,079	13,759,451	–	46,498,530
Financial liabilities not measured at fair value									
Trade and other payables**	11	–	–	(2,844,581)	(2,844,581)				
Financial liabilities measured at fair value									
Forward exchange contracts	5	(194,824)	–	–	(194,824)	–	(194,824)	–	(194,824)

* 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 forward exchange rates at the reporting date.

22 Leases

Leases as lessee (FRS 116)

The Hospice leases land and office equipment. The leases typically run for a period of two to five years, with an option to renew the lease after that date. Lease payments are renegotiated every two to five years to reflect market rentals. Some leases provide for additional rent payments that are based on changes in local price indices. For certain leases, the Hospice is restricted from entering into any sub-lease arrangements.

The Hospice leases motor vehicles with contract terms of 1 year or less. These leases are short-term. The Hospice has elected not to recognise right-of-use assets and lease liabilities for these leases.

Information about leases for which the Hospice is a lessee is presented below:

	Leased land \$	Office equipment \$	Total \$
2022			
At 1 April 2021	286,100	13,727	299,827
Additions	811,783	–	811,783
Depreciation for the year	(387,573)	(7,751)	(395,324)
At 31 March 2022	710,310	5,976	716,286

	Leased land	Office equipment	Total
	\$	\$	\$
2021			
At 1 April 2020	667,568	22,455	690,023
Depreciation for the year	(381,468)	(8,728)	(390,196)
At 31 March 2021	286,100	13,727	299,827

Amounts recognised in statement of comprehensive income

	2022	2021
	\$	\$
Leases under FRS 116		
Interest on lease liabilities	(7,601)	(15,656)
Expenses relating to short-term leases	(14,400)	(14,940)
Variable lease payment	100,299	131,807

Amounts recognised in statement of cash flows

	2022	2021
	\$	\$
Total cash outflow for leases	310,584	274,480

Extension options

Some property leases contain extension options exercisable by the Hospice up to one year before the end of the non-cancellable contract period. Where practicable, the Hospice seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Hospice and not by the lessors. The Hospice assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Hospice reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

Rent concessions

The Hospice received rent concessions with its landlord for the leased land as a result of the severe impact of the COVID-19 pandemic during the year. The Hospice applied the practical expedient for COVID-19-related rent concessions consistently to eligible rent concessions relating to its leased land.

The amount recognised in income and expenditure for the reporting period to reflect changes in lease payments arising from rent concessions to which the Hospice has applied the practical expedient for COVID-19-related rent concessions is \$100,299 (2021: \$131,807).

23 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:

	2022	2021
	\$	\$
Key management personnel		
- short-term employee benefits	872,698	638,839

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:

	2022	2021
	\$	\$
Donations received from Governing Council members	150,828	144,238
Medical personnel services*	2,027,947	1,004,719

* The Hospice entered into a service agreement for the purchase of medical personnel 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 are included in Staff and related costs. One of the Governing Council members is an employee of Tan Tock Seng Hospital from which the Hospice procures services.

24 Commitments

Based on updates from Ministry of Health (“MOH”), the move to the new site at the Integrated Care Hub (“ICH”) has been postponed to 2023. At the reporting date, the Hospice is committed to incur other capital expenditure of \$5,646,680 (2021: \$5,646,680), expected to be incurred and settled in 2023 (2021: 2022).