

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 2025

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 2023 to 30 September 2026.

Registered Address

1 Tan Tock Seng Link, #03-00, TTSH Integrated Care Hub
Singapore 307382

Governing Council

Chairman

Mr. Chey Chor Wai

Vice Chairman

Ms. Angelene Chan

Honorary Treasurer

Ms Ong Ai Hua

Honorary Secretary

Prof. Ho Yew Kee

Assistant Honorary Treasurer

Ms Woo E-Sah

Assistant Honorary Secretary

Ms Sandy Foo

Members

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Mr. Henk R. De Glint
Mr. Kenneth Sim
Dr. Kwa Chong Teck
Mr. Low Chee Wah
Mr. Lam Kwan Meng Johnny
Adjunct A/Prof. Mark Chan
Mr. Ong Hung Guan
Dr. Seet Ju Ee
Mr. Shee Gim Leng
Dr. Soh Hui Hian, Karen
Dr. Tanya Tierney

Honorary Council Members

Dr. Lee Kim Hock, Lionel
Dr. Lim Kian Tho, Jerry
Dr. Seet Ai Mee

Statement by Governing Council

In our opinion, the financial statements set out on pages FS1 to FS44 present fairly, in all material respects, the financial position of the Hospice as at 31 March 2025 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 Charities Act 1994 and other relevant regulations and Financial Reporting Standards in Singapore

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

On behalf of the Governing Council



Mr Chey Chor Wai
Chairman, Governing Council



Ms Ong Ai Hua
Honorary Treasurer, Governing Council

29 July 2025



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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 2025, 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 material accounting policy information, as set out on pages FS1 to FS44.

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 give a true and fair view of the state of affairs of the Hospice as at 31 March 2025 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 and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and 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 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit, Risk and Governance Committee of the 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 2024 to 31 March 2025 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
29 July 2025

Statement of financial position
As at 31 March 2025

	Note	2025 \$	2024 \$
Non-current asset			
Property, plant and equipment	4	12,285,442	11,976,701
Current assets			
Financial assets - Investments	5	55,319,374	52,707,128
Other financial asset	6	21,057	20,600
Grants, trade and other receivables	7	13,344,429	6,250,705
Cash and cash equivalents	8	11,757,700	17,759,760
		<u>80,442,560</u>	<u>76,738,193</u>
Total assets		<u>92,728,002</u>	<u>88,714,894</u>
Funds of the Hospice:			
Restricted fund - Endowment fund	9(i)	24,855,567	23,610,827
Restricted fund - Donations	9(ii)	8,345,869	8,367,762
Unrestricted fund - Accumulated fund	9(iii)	35,814,296	33,871,370
Unrestricted fund - Serenity fund	9(iv)	161,434	153,850
Total funds		<u>69,177,166</u>	<u>66,003,809</u>
Non-current liabilities			
Lease liabilities	10	7,920,671	8,936,773
Deferred capital grants	11	3,223,544	384,667
		<u>11,144,215</u>	<u>9,321,440</u>
Current liabilities			
Lease liabilities	10	1,056,066	1,033,024
Trade and other payables	12	11,350,555	12,356,621
		<u>12,406,621</u>	<u>13,389,645</u>
Total liabilities		<u>23,550,836</u>	<u>22,711,085</u>
Total funds and liabilities		<u>92,728,002</u>	<u>88,714,894</u>
Net assets of PalC	13	<u>2,844,873</u>	<u>2,477,717</u>

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

Statement of comprehensive income
Year ended 31 March 2025

		2025					2024				
<u>Financial activities/Income and expenditure</u>	Note	Unrestricted fund – Accumulated fund \$	Unrestricted fund – Serenity fund \$	Restricted fund – Donations \$	Restricted fund – Endowment fund \$	Total funds \$	Unrestricted fund – Accumulated fund \$	Unrestricted fund – Serenity fund \$	Restricted fund – Donations \$	Restricted fund – Endowment fund \$	Total funds \$
Incoming resources											
<i>Incoming resources from generated funds</i>											
Voluntary income	14	1,535,405	–	68,282	–	1,603,687	14,753,580	10,000	133,367	–	14,896,947
Income from fund-raising activities	14	1,456,521	–	–	–	1,456,521	1,970,002	–	–	–	1,970,002
Interest income	15	73,794	–	–	–	73,794	1,358	118	–	768	2,244
Others		248,021	–	–	–	248,021	292,145	–	–	–	292,145
		3,313,741	–	68,282	–	3,382,023	17,017,085	10,118	133,367	768	17,161,338
<i>Charitable activities</i>											
Patient fees		4,935,380	–	–	–	4,935,380	4,003,701	–	–	–	4,003,701
Government subvention grant	16	12,140,647	–	–	–	12,140,647	7,331,023	–	–	–	7,331,023
Other grants	16	4,322,902	–	–	–	4,322,902	4,419,707	–	–	–	4,419,707
Amortisation of deferred capital grants		1,052,229	–	–	–	1,052,229	114,351	–	–	–	114,351
		22,451,158	–	–	–	22,451,158	15,868,782	–	–	–	15,868,782
Total incoming resources		25,764,899	–	68,282	–	25,833,181	32,885,867	10,118	133,367	768	33,030,120
Resources expended											
<i>Cost of generating funds</i>											
Fundraising costs	17	(242,645)	–	–	–	(242,645)	(354,530)	–	–	–	(354,530)
Investment management expenses	18	(50,693)	(355)	–	(58,168)	(109,216)	(49,668)	(62)	–	(56,648)	(106,378)
		(293,338)	(355)	–	(58,168)	(351,861)	(404,198)	(62)	–	(56,648)	(460,908)
<i>Charitable activities</i>	19	(16,120,562)	–	(76,382)	–	(16,196,944)	(15,281,627)	–	(74,192)	–	(15,355,819)
<i>Governance activities</i>	20	(8,811,960)	–	(13,793)	–	(8,825,753)	(6,869,930)	–	(26,117)	–	(6,896,047)
<i>Impairment loss on trade receivables</i>	7	(17,258)	–	–	–	(17,258)	(51,585)	–	–	–	(51,585)
Total resources expended		(25,243,118)	(355)	(90,175)	(58,168)	(25,391,816)	(22,607,340)	(62)	(100,309)	(56,648)	(22,764,359)

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

Statement of comprehensive income (cont'd)
Year ended 31 March 2025

	2025					2024				
<u>Financial activities/Income and expenditure</u>	Unrestricted fund – Accumulated fund \$	Unrestricted fund – Serenity fund \$	Restricted fund – Donations \$	Restricted fund – Endowment fund \$	Total funds \$	Unrestricted fund – Accumulated fund \$	Unrestricted fund – Serenity fund \$	Restricted fund – Donations \$	Restricted fund – Endowment fund \$	Total funds \$
Net incoming resources/ (resources expended) before investment gains and losses	521,781	(355)	(21,893)	(58,168)	441,365	10,278,527	10,056	33,058	(55,880)	10,265,761
Net fair value gains on financial assets at FVTPL - Investments	965,416	4,753	–	779,976	1,750,145	1,292,395	–	–	1,142,817	2,435,212
Net realised foreign exchange gains/(losses)	–	–	–	–	–	134	–	–	(6)	128
Net gains on disposal of financial assets	455,729	3,186	–	522,932	981,847	56,954	–	–	770	57,724
Net incoming resources/ (resources expended) for the year and total comprehensive income for the year	1,942,926	7,584	(21,893)	1,244,740	3,173,357	11,628,010	10,056	33,058	1,087,701	12,758,825

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

Statement of changes in funds
Year ended 31 March 2025

	Unrestricted fund – Accumulated fund \$	Unrestricted fund – Serenity fund \$	Restricted fund – Donations \$	Restricted fund – Endowment fund \$	Total funds \$
At 1 April 2023	22,243,360	143,794	8,334,704	22,523,126	53,244,984
Total comprehensive income for the year					
Net incoming resources for the year, representing total comprehensive income for the year	11,628,010	10,056	33,058	1,087,701	12,758,825
At 31 March 2024	<u>33,871,370</u>	<u>153,850</u>	<u>8,367,762</u>	<u>23,610,827</u>	<u>66,003,809</u>
At 1 April 2024	33,871,370	153,850	8,367,762	23,610,827	66,003,809
Total comprehensive income for the year					
Net incoming resources/ (resources expended) for the year, representing total comprehensive income for the year	1,942,926	7,584	(21,893)	1,244,740	3,173,357
At 31 March 2025	<u>35,814,296</u>	<u>161,434</u>	<u>8,345,869</u>	<u>24,855,567</u>	<u>69,177,166</u>

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

Statement of cash flows
Year ended 31 March 2025

	Note	2025 \$	2024 \$
Cash flows from operating activities			
Net incoming resources for the year		3,173,357	12,758,825
Adjustments for:			
Amortisation of deferred capital grants	11	(1,052,229)	(114,351)
Depreciation of property, plant and equipment	4	2,338,754	1,149,884
Management fee, net		117,760	–
Interest income	15	(73,794)	(2,325)
Interest expense	10	367,926	167,823
Impairment loss on trade receivables	7	17,258	51,585
Net changes in fair value of financial assets -			
Investments		(1,750,145)	(2,435,212)
Unrealised foreign exchange losses	15	–	81
Write-off of property, plant and equipment		12,300	–
Gain on disposal of property, plant and equipment		–	(2,315)
Gain on disposal of financial assets		(981,847)	(57,724)
		<u>2,169,340</u>	<u>11,516,271</u>
Changes in working capital:			
Grants, trade and other receivables		(6,266,205)	(1,747,645)
Trade and other payables		(1,016,282)	2,922,068
Net cash (used in)/generated from operating activities		<u>(5,113,147)</u>	<u>12,690,694</u>
Cash flows from investing activities			
Dividend received		–	4,079
Interest received		73,835	26,821
Proceeds from disposal of financial assets		–	1,946,760
Purchase of financial assets		–	(41,618,937)
Proceeds from disposal of property, plant and equipment		–	2,315
Purchase of property, plant and equipment		(2,849,786)	(2,196,371)
Fixed deposits pledged		(457)	(600)
Net cash used in investing activities		<u>(2,776,408)</u>	<u>(41,835,933)</u>
Cash flows from financing activities			
Payments of lease liabilities	10	(1,036,536)	(748,355)
Interest paid	10	(367,926)	(167,823)
Capital grants received	11	3,302,873	370,150
Net cash generated from/(used in) financing activities		<u>1,898,411</u>	<u>(546,028)</u>
Net decrease in cash and cash equivalents		(5,991,144)	(29,691,267)
Cash and cash equivalents at beginning of the year		<u>17,542,687</u>	<u>47,233,954</u>
Cash and cash equivalents at end of the year	8	<u><u>11,551,543</u></u>	<u><u>17,542,687</u></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 29 July 2025.

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 1 Tan Tock Seng Link, #03-00, TTSH Integrated Care Hub, Singapore 307382.

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

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, 1947. The Hospice's IPC status has been extended for 3 years from 1 October 2023 to 30 September 2026.

2 Basis of preparation

2.1 Statement of compliance

The financial statements have been prepared in accordance with Financial Reporting Standards in Singapore ("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 7 – measurement of patient fee accrual based on MediShield calculator for the MediShield claimable
- Note 16 – 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 require 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 22.

2.5 Changes in material accounting policies

New accounting standards and amendments

The Hospice has applied the following FRS, amendments to and interpretations of FRS for the first time for the annual period beginning on 1 April 2024:

- Amendments to FRS 1 *Classification of Liabilities as Current or Non-current* and Amendments to FRS 1 *Non-current Liabilities with Covenants*
- Amendments to FRS 116 *Lease Liability in a Sale and Leaseback*
- Amendments to FRS 7 and FRS 107 *Supplier Finance Arrangements*

The application of these amendments to accounting standards and interpretations does not have a material effect on the financial statements.

3 Material 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 9(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.

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 years
Buildings	9 years
Facilities improvement	9 years
Office equipment	5 years
Plant and equipment	5 years
Medical equipment	5 years to 10 years
Furniture and fittings	5 years
Motor vehicles	10 years
Computer equipment	3 years

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 expired. 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.

3.6 Impairment

(i) *Non-derivative financial assets*

The Hospice recognises loss allowances for Expected Credit Loss (ECL) 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 and 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 360 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 and dividend income 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 the Hospice, 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) *Costs 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.

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.

3.12 New accounting standards and interpretations not adopted

A number of new accounting standards and amendments to standards are effective for annual periods beginning after 1 April 2024 and earlier application is permitted. However, the Hospice has not early adopted the new or amended accounting standards in preparing these financial statements.

(i) FRS 118 Presentation and Disclosure in Financial Statements

FRS 118 will replace FRS 1 *Presentation of Financial Statements* and applies for annual reporting periods beginning on or after 1 January 2027. The new standard introduces the following key new requirements.

- Entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly-defined operating profit subtotal. Entities' net profit will not change.
- Management-defined performance measures (MPMs) are disclosed in a single note in the financial statements.
- Enhanced guidance is provided on how to group information in the financial statements.

In addition, all entities are required to use the operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method. The Hospice is still in the process of assessing the impact of the new standard, particularly with respect to the structure of the Hospice's statement of profit or loss, the statement of cash flows and the additional disclosures required for MPMs. The Hospice is also assessing the impact on how information is grouped in the financial statements, including for items currently labelled as other.

(ii) Other accounting standards

The following amendments to FRSs are not expected to have a significant impact on the Hospice's statement of financial position.

- Amendments to FRS 21: *Lack of Exchangeability*
- *Classification and Measurement of Financial Instruments* (Amendments to FRS 109 and FRS 107)
- *Annual Improvements to FRSs - Volume 11*
- FRS 119: *Subsidiaries without Public Accountability: Disclosures*

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 2023	1,860,819	4,538,567	3,881,093	86,964	184,716	738,679	143,145	234,206	1,717,797	13,385,986
Additions	60,960	10,294,932	34,850	59,209	121,300	1,029,757	414,400	–	563,533	12,578,941
Disposal	–	–	–	–	–	–	–	(142,015)	–	(142,015)
Write-offs	–	–	–	(1,270)	(14,739)	(77,067)	–	–	–	(93,076)
At 31 March 2024	1,921,779	14,833,499	3,915,943	144,903	291,277	1,691,369	557,545	92,191	2,281,330	25,729,836
At 1 April 2024	1,921,779	14,833,499	3,915,943	144,903	291,277	1,691,369	557,545	92,191	2,281,330	25,729,836
Additions	–	20,457	74,763	44,774	647,185	261,475	25,170	–	2,400,557	3,474,381
Lease modification	–	(559,987)	–	–	–	–	–	–	–	(559,987)
Disposal	–	–	–	(6,806)	(129,437)	(90,855)	(42,464)	–	–	(269,562)
Write-offs	(1,921,779)	(4,538,567)	(3,881,093)	(29,256)	(144,628)	(510,602)	(134,681)	–	(418,775)	(11,579,381)
At 31 March 2025	–	9,755,402	109,613	153,615	664,397	1,351,387	405,570	92,191	4,263,112	16,795,287
Accumulated depreciation										
At 1 April 2023	1,556,401	4,538,567	3,881,093	41,341	163,158	693,514	140,261	178,636	1,645,371	12,838,342
Depreciation for the year	334,899	476,617	670	19,630	35,157	136,637	40,263	9,219	96,792	1,149,884
Disposal	–	–	–	–	–	–	–	(142,015)	–	(142,015)
Write-offs	–	–	–	(1,270)	(14,739)	(77,067)	–	–	–	(93,076)
At 31 March 2024	1,891,300	5,015,184	3,881,763	59,701	183,576	753,084	180,524	45,840	1,742,163	13,753,135

	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 2024	1,891,300	5,015,184	3,881,763	59,701	183,576	753,084	180,524	45,840	1,742,163	13,753,135
Depreciation for the year	30,479	1,146,154	4,829	24,319	86,319	233,151	79,614	9,219	812,816	2,426,900
Lease modification	–	(88,146)	–	–	–	–	–	–	–	(88,146)
Disposal	–	–	–	(947)	–	(9,963)	(4,053)	–	–	(14,963)
Write-offs	(1,921,779)	(4,538,567)	(3,881,093)	(28,451)	(137,113)	(506,622)	(134,681)	–	(418,775)	(11,567,081)
At 31 March 2025	–	1,534,625	5,499	54,622	132,782	469,650	121,404	55,059	2,136,204	4,509,845
Carrying amounts										
At 1 April 2023	304,418	–	–	45,623	21,558	45,165	2,884	55,570	72,426	547,644
At 31 March 2024	30,479	9,818,315	34,180	85,202	107,701	938,285	377,021	46,351	539,167	11,976,701
At 31 March 2025	–	8,220,777	104,114	98,993	531,615	881,737	284,166	37,132	2,126,908	12,285,442

Property, plant and equipment includes right-of-use (“ROU”) assets with carrying amounts of \$8,293,770 (2024: \$9,893,852) related to leased land, building and office equipment.

5 Financial assets – Investments

	Accumulated fund \$	Serenity fund \$	Endowment fund \$	Total \$
2025				
Financial assets mandatorily at fair value through profit or loss				
Mutual funds	30,330,208	151,354	24,837,812	55,319,374
2024				
Financial assets mandatorily at fair value through profit or loss				
Mutual funds	28,969,129	143,794	23,594,205	52,707,128

Included in accumulated fund are \$8,000,000 (2024: \$8,000,000) of financial assets from capital restricted fund (note 9(ii)).

In 2024, the Hospice appointed a new fund manager, Fullerton Fund Management Company Ltd (FFMC). FFMC manages the Hospice's investments on a portfolio basis. The performance of each fund is monitored quarterly by the Investment Committee.

Mutual funds

Investments in mutual funds that are freely traded are valued at their closing price as at the reporting date.

6 Other financial asset

	2025 \$	2024 \$
Fixed deposit	21,057	20,600

Fixed deposit placed with a bank included in other financial asset is subject to restriction imposed by the bank. The amount cannot be withdrawn at any time from the bank. The agreement with the bank requires the Hospice to keep the balance in fixed deposit account, in relation to the maintenance of credit facilities.

The effective interest rate per annum for fixed deposit as at year end is 1.48% (2024: 2.2%).

7 Grants, trade and other receivables

	2025	2024
	\$	\$
Subvention grants receivable from Ministry of Health (MOH)	9,717,456	1,460,379
Deposits	2,603	117,063
Interest receivable	73	114
Trade receivables, net of impairment	448,206	279,714
Patient fee accrual	801,795	557,854
Receivable from Agency for Integrated Care under the Community Care Salary Enhancement exercise	1,113,363	478,877
Receivable from Tote Board's enhanced fund-raising programme	250,000	462,770
Receivable from MOH in relation to the funding of Furniture and Equipment	718,710	–
Other receivables	169,967	294,037
	<u>13,222,173</u>	<u>3,650,808</u>
Prepayments	122,256	2,599,897
	<u>13,344,429</u>	<u>6,250,705</u>

Subvention grants receivable from MOH

During the financial year, the Hospice and MOH have finalised discussions with regards to the pilot study of the new care model, Integrated Palliative Care Programme, and its associated enhanced palliative care subsidy framework. The new care model pilot study extended from October 2023 to March 2025. The new care model has received MOH in principle approval to extend from April 2025 to March 2026. Among the \$9,717,456 subvention grants receivable from MOH, \$310,468 relates to receivables arising from the period October 2023 to March 2024.

Patient fee accrual

Patient fee accrual is calculated based on MediShield calculator (2024: 80% based on the experience over 3 years) for the MediShield claimable for Inpatient Hospice Palliative Care Services (IHPCS) patients who have not been discharged as at year-end.

Impairment losses

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

	2025	2024
	\$	\$
Impairment loss on trade receivables arising from contracts with customers	<u>17,258</u>	<u>51,585</u>

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

	2025	2024
	Not credit- impaired	Not credit- impaired
	\$	\$
Not past due	7,817,733	3,556,700
Past due 1 – 30 days	3,273,859	17,098
Past due 31 – 150 days	2,113,439	71,535
Past due 151 – 365 days	29,698	34,697
Past due over 365 days	96,438	63,158
Total gross carrying amount	13,331,167	3,743,188
Loss allowance	(108,994)	(92,380)
	<u>13,222,173</u>	<u>3,650,808</u>

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
	%	\$	\$
2025			
Not past due	0%	357,453	(238)
Past due 1 – 30 days	0%	13,453	(35)
Past due 31 – 150 days	2%	60,157	(1,132)
Past due 151 – 365 days	43%	29,698	(12,800)
Past due over 365 days	98%	96,439	(94,789)
		<u>557,200</u>	<u>(108,994)</u>
2024			
Not past due	1%	185,606	(1,240)
Past due 1 – 30 days	0%	17,098	(4)
Past due 31 – 150 days	32%	71,535	(23,145)
Past due 151 – 365 days	51%	34,697	(17,788)
Past due over 365 days	79%	63,158	(50,203)
		<u>372,094</u>	<u>(92,380)</u>

Loss rates are based on actual credit loss experience over the past four years (2024: 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 2023	40,795
Impairment loss recognised	51,585
At 31 March 2024	92,380
Bad debts written off	(644)
Impairment loss recognised	17,258
At 31 March 2025	108,994

8 Cash and cash equivalents

	2025	2024
	\$	\$
Cash at bank and in hand	11,757,700	17,759,760
Cash and cash equivalents in statement of financial position	11,757,700	17,759,760
Less: Cash at bank in Medifund Account	(206,157)	(217,073)
Cash and cash equivalents in statement of cash flows	11,551,543	17,542,687

Included in cash at bank and in hand is \$206,157 (2024: \$217,073) held on behalf of the Medifund Account.

The Hospice holds a bank account with a balance of \$2,146,788 (2024: \$2,186,078) on behalf of PalC (note 13). The Hospice's one third share of this bank balance is \$715,596 (2024: \$728,693), which is included in cash at bank and in hand above.

9 Funds of the Hospice

(i) Restricted fund - Endowment fund

The Endowment fund is represented by the following:

	Note	2025	2024
		\$	\$
Financial assets - Investments	5	24,837,812	23,594,205
Other receivables		4,007	2,874
Cash and cash equivalents		13,748	13,748
		24,855,567	23,610,827

The Endowment fund comprises:

	2025	2024
	\$	\$
Capital account	20,000,000	20,000,000
Accumulated surplus	4,855,567	3,610,827
	<u>24,855,567</u>	<u>23,610,827</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:

	2025	2024
	\$	\$
Dignity fund	38,787	36,399
Dove fund	121,494	122,334
Capital restricted fund	8,000,000	8,000,000
Others	185,588	209,029
	<u>8,345,869</u>	<u>8,367,762</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.

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.

Others - Included in Others are prior donations of \$19,603 (2024: \$19,603), which will be used to purchase music therapy equipment, as well as donations of \$Nil (2024: \$2,755), which will be used in the Make It Happen project which aims to fulfil patients' last wishes.

These restricted funds are represented by the following:

	Note	2025	2024
		\$	\$
Financial assets - Investments	5	8,000,000	8,000,000
Cash and cash equivalents		345,869	367,762
		<u>8,345,869</u>	<u>8,367,762</u>

(iii) Unrestricted fund - Accumulated fund

The Accumulated fund is represented by the following:

	Note	2025	2024
		\$	\$
Property, plant and equipment	4	12,285,442	11,976,701
Financial assets - Investments	5	22,330,208	20,969,129
Other financial asset	6	21,057	20,600
Grants, trade and other receivables		13,340,398	6,247,831
Cash and cash equivalents		11,388,027	17,368,194
Deferred capital grants	11	(3,223,544)	(384,667)
Lease liabilities	10	(8,976,737)	(9,969,797)
Trade and other payables		(11,350,555)	(12,356,621)
		<u>35,814,296</u>	<u>33,871,370</u>

Included in cash and cash equivalents is \$206,157 (2024: \$217,073) held on behalf of the Medifund Account (note 8).

(iv) Unrestricted fund – Serenity fund

The Serenity fund is represented by the following:

	Note	2025	2024
		\$	\$
Financial assets - Investments	5	151,354	143,794
Grants, trade and other receivables		24	—
Cash and cash equivalents		10,056	10,056
		<u>161,434</u>	<u>153,850</u>

The Serenity fund comprises:

	2025	2024
	\$	\$
Capital account	150,000	150,000
Accumulated surplus	11,434	3,850
	<u>161,434</u>	<u>153,850</u>

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.

Under the Charities (Accounts and Annual Report) Regulations 2011 Section 8(2e), 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.

	2025	2024
	\$	\$
<u>Unrestricted funds</u>		
Financial assets – investments	22,481,562	21,112,924
Grants, trade and other receivables	13,340,422	6,247,831
Other financial asset	21,057	20,600
Cash and cash equivalents	11,398,083	17,378,250
Trade and other payables	(11,350,555)	(12,356,621)
Total unrestricted net liquid assets	<u>35,890,569</u>	<u>32,402,984</u>
 Total operating expenditure	 <u>25,243,473</u>	 <u>22,607,403</u>
 Ratio of net liquid assets to total operating expenditure	 <u>1.42</u>	 <u>1.43</u>

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

10 Lease liabilities

	2025 \$	2024 \$
Non-current liabilities		
Lease liabilities	7,920,671	8,936,773
Current liabilities		
Lease liabilities	1,056,066	1,033,024

Terms and repayment schedule

Terms and conditions of outstanding lease liabilities are as follows:

	Currency	Incremental borrowing rate %	Year of maturity	2025		2024	
				Face value \$	Carrying amount \$	Face value \$	Carrying amount \$
Lease liabilities	SGD	1.85-4.71	2027-2032	10,367,543	8,976,737	11,727,026	9,969,797

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

	Lease liabilities	
	2025 \$	2024 \$
Balance at 1 April	9,969,797	335,580
Changes from financing cash flows		
Payment of lease liabilities	(1,036,536)	(748,355)
Interest paid	(367,926)	(167,823)
Total changes from financing cash flows	(1,404,462)	(916,178)
Other changes		
New leases	43,476	10,382,572
Interest expense	367,926	167,823
Total other changes	411,402	10,550,395
Balance at 31 March	8,976,737	9,969,797

11 Deferred capital grants

	2025 \$	2024 \$
At 1 April	384,667	128,868
Capital grants recognised during the year	3,891,106	370,150
Amortisation for the year	(1,052,229)	(114,351)
At 31 March	3,223,544	384,667

Deferred capital grants comprise government grants and solicited donations recognised 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	
	2025	2024
	\$	\$
Balance as at 1 April	384,667	128,868
Changes from financing cash flows		
Capital grants received	3,302,873	370,150
Total changes from financing cash flows	3,302,873	370,150
Other changes		
Amortisation for the year	(1,052,229)	(114,351)
Capital grants receivable	588,233	–
Total other changes	(463,996)	(114,351)
Balance as at 31 March	3,223,544	384,667

12 Trade and other payables

	2025	2024
	\$	\$
Trade payables	2,169,653	2,729,421
Accrued operating expenses	3,832,246	2,750,484
Advance membership subscriptions	854	1,081
Employees' short-term accumulated compensated absences	324,369	240,458
Payables to Palliative Care Centre for Excellence in Research and Education ("PalC")	237,773	191,338
Other payables	516,658	808,311
	7,081,553	6,721,093
Deferred income - grants received/receivable from		
- Community Silver Trust Fund	4,247,870	5,635,528
Provision for reinstatement cost	21,132	–
	11,350,555	12,356,621

Included in other payables is net GST payable to Inland Revenue Authority of Singapore ("IRAS") of \$82,234 (2024: \$89,410).

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”) Fund

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

	2025	2024
	\$	\$
Balance as at 1 April	5,635,528	6,131,660
Add:		
- Matching grants received and receivable from CST	2,262,503	2,297,537
- Management fee charged	(8,544)	(9,926)
Less: Refund of prior year’s unutilised grant to MOH	–	(299,494)
Less: Utilisation on:		
- Operating expenditure	(1,867,103)	(2,267,588)
- Capital assets	(1,774,514)	(216,661)
Balance as at 31 March	<u>4,247,870</u>	<u>5,635,528</u>

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

13 Palliative Care Centre for Excellence in Research and Education

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

Under the Terms of Agreement, each of the entities have contributed \$1,000,000 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:

	2025	2024
	\$	\$
Balance as at 1 April	2,477,717	1,830,258
Seed funding	600,000	600,000
Voluntary income	–	200,000
Others	156,463	164,590
Less:		
Fund utilised during the year	(389,307)	(317,131)
Balance as at 31 March	<u>2,844,873</u>	<u>2,477,717</u>
Represented by:		
Cash and cash equivalents	2,146,788	2,186,078
Grants, trade and other receivables	778,279	334,783
Trade and other payables	(80,194)	(43,144)
Net assets	<u>2,844,873</u>	<u>2,477,717</u>

14 Incoming resources from generated funds

	2025	2024
	\$	\$
Tax exempt receipts	2,222,290	2,408,418
Non-tax exempt receipts	837,918	14,458,531
	<u>3,060,208</u>	<u>16,866,949</u>

In 2024, included in the non-tax exempt receipts for the year was a gift of \$13,425,624 made in memory of a late patient for which tax exempt receipt was not issued. This amount has been recognised as a general donation.

15 Interest income

	Unrestricted fund – Accumulated fund \$	Unrestricted fund – Serenity fund \$	Restricted fund – Endowment fund \$	Total \$
2025				
Interest income from cash and cash equivalents	<u>73,794</u>	–	–	<u>73,794</u>
2024				
Interest income from cash and cash equivalents	823	–	–	823
Interest income from quoted debt securities	629	139	734	1,502
Foreign exchange loss	(94)	(21)	34	(81)
	<u>1,358</u>	<u>118</u>	<u>768</u>	<u>2,244</u>

In 2024, the hospice revised its investment strategy to investing in mutual funds. These mutual funds do not distribute dividends or interests. All income and interest earned from these portfolios are reinvested and reflected in the Net Asset Value (NAV) of the units.

16 Net incoming resources

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

	2025 \$	2024 \$
Government Subvention Grant	12,140,647	7,331,023
Other grants		
Grant income from Community Silver Trust	1,867,103	2,267,588
Grant income from Ministry of Health	620,505	120,175
Grant income from Community Care Salary Enhancement	1,599,688	1,853,373
Grant income from Nurse Special Payment	–	149,739
Grant income from Seniors' Mobility and Enabling Fund	93,942	–
Grant income from Wage Credit Scheme	60,121	–
Others	81,543	28,832
	<u>4,322,902</u>	<u>4,419,707</u>
Resources expended		
Depreciation of property, plant and equipment	(2,338,754)	(1,149,884)
Staff and related costs	(17,734,606)	(16,672,276)
Contributions to Central Provident Fund		
included in staff costs	(1,484,445)	(1,263,905)
Operating lease expenses	<u>(115,313)</u>	<u>(73,911)</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.

During the financial year, the Hospice and MOH have finalised discussions with regards to the pilot study of the new care model, Integrated Palliative Care Programme, and its associated enhanced palliative care subsidy framework. The new care model pilot study extended from October 2023 to March 2025. The new care model pilot study has received MOH in principle approval to extend from April 2025 to March 2026. Among the \$12,140,647 government subvention grant from MOH, \$310,468 relates to grant income arising from the period October 2023 to March 2024.

17 Fundraising costs

	2025	2024
	\$	\$
Gala Dinner related costs	210,227	171,307
Charity Golf related costs	—	148,233
Others	32,418	34,990
	<u>242,645</u>	<u>354,530</u>

18 Investment management expenses

	2025	2024
	\$	\$
Management fee	109,216	106,254
Investment charges	—	124
	<u>109,216</u>	<u>106,378</u>

19 Charitable activities

	2025	2024
	\$	\$
Depreciation of property, plant and equipment	598,547	315,824
Staff and related costs	14,173,023	13,286,564
Operating lease expenses	64,173	43,814
Patient care expenses	999,712	1,015,838
Other operating expenses	361,489	693,779
	<u>16,196,944</u>	<u>15,355,819</u>

20 Governance activities

	2025	2024
	\$	\$
Depreciation of property, plant and equipment	1,740,208	834,060
Staff and related costs	3,561,583	3,385,712
Professional Fee	105,361	102,220
Other operating expenses	3,418,601	2,574,055
	<u>8,825,753</u>	<u>6,896,047</u>

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 2023, Principle 5.4, the annual remuneration (which is the secondment fees paid to Tan Tock Seng Hospital Pte Ltd) of the Hospice's three highest paid staff exceeding \$100,000 (2024: \$100,000), in the following bands in the year are as follows:

	2025	2024
Number of employees, of the three highest paid staff, in bands:		
\$300,001 to \$400,000	2	2
\$400,001 to \$500,000	1	1

None of the three highest paid staff served in the Governing Council of the Hospice. The Hospice receives services from its volunteers. The volunteers are not remunerated for their services.

The total number of employees including the number of seconded personnel, based on full time equivalent, as at financial year end is 182 (2024: 174).

The Hospice entered into service agreements for the purchase of medical and other personnel services from Tan Tock Seng Hospital Pte Ltd. The personnel are involved in clinical services and the general running of the Hospice. The service fees paid and payable to Tan Tock Seng Hospital Pte Ltd amounted to \$2,482,300 (2024: \$2,410,890) and are included in staff and related costs under the charitable and governance activities.

In compliance with the Code of Corporate Governance for Charities and Institutions of a Public Character 2023, Principle 5.5, there are no paid employees, being a close member of the family belonging to the Executive Head or a governing board member of the Hospice, who has received remuneration exceeding \$50,000 during the financial year 2024 and 2025.

21 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.

22 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, financial assets held on behalf by a custodian and subvention grants receivable from MOH. 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, or via funds on a look-through basis, 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 or funds comprise mainly government securities and corporate bonds with the above mentioned ratings.

Cash and cash equivalents

The Hospice held cash and cash equivalents of \$11,757,700 at 31 March 2025 (2024: \$17,759,760). The cash and cash equivalents are held with bank and financial institution counterparties which are rated AA-, based on Fitch Ratings (2024: 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, trade 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 \$	More than 5 years \$
2025						
Non-derivative financial liabilities						
Trade and other payables*	12	7,081,553	(7,081,553)	(7,081,553)	–	–
Lease liabilities	10	8,976,737	(10,367,543)	(1,384,813)	(6,834,095)	(2,148,635)
		<u>16,058,290</u>	<u>(17,449,096)</u>	<u>(8,466,366)</u>	<u>(6,834,095)</u>	<u>(2,148,635)</u>
2024						
Non-derivative financial liabilities						
Trade and other payables*	12	6,721,093	(6,721,093)	(6,721,093)	–	–
Lease liabilities	10	9,969,797	(11,727,006)	(1,400,713)	(6,820,625)	(3,505,668)
		<u>16,690,890</u>	<u>(18,448,099)</u>	<u>(8,121,806)</u>	<u>(6,820,625)</u>	<u>(3,505,668)</u>

* Excludes deferred income and provision for reinstatement cost

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.

Price risk

Price risk arises from the Hospice's investments that are designated at FVTPL and are susceptible to market price risk arising from uncertainties about future prices of the instruments. The investments are designated as at FVTPL because their performance is actively monitored, and they are managed on a fair value basis.

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 \$5,531,937 (2024: \$5,270,712) respectively. This analysis assumes that all other variables remain constant.

Accounting classification and fair values

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

	Note	Carrying amount				Fair value			
		Mandatorily at fair value	Financial assets at amortised cost	Other financial liabilities at amortised cost	Total	Level 1	Level 2	Level 3	Total
		\$	\$	\$	\$	\$	\$	\$	\$
2025									
Financial assets not measured at fair value									
Other financial asset	6	–	21,057	–	21,057				
Grants, trade and other receivables*	7	–	13,222,173	–	13,222,173				
Cash and cash equivalents	8	–	11,757,700	–	11,757,700				
		–	25,000,930	–	25,000,930				
Financial assets measured at fair value									
Financial assets - Investments	5	55,319,374	–	–	55,319,374	55,319,374	–	–	55,319,374
Financial liabilities not measured at fair value									
Trade and other payables**	12	–	–	(7,081,553)	(7,081,553)				

* Excludes prepayment

** Excludes deferred income and provision for reinstatement cost

		Carrying amount				Fair value			
			Financial assets at	Other financial liabilities at					
	Note	Mandatorily at fair value	amortised cost	amortised cost	Total	Level 1	Level 2	Level 3	Total
		\$	\$	\$	\$	\$	\$	\$	\$
2024									
Financial assets not measured at fair value									
Other financial asset	6	–	20,600	–	20,600				
Grants, trade and other receivables*	7	–	3,650,808	–	3,650,808				
Cash and cash equivalents	8	–	17,759,760	–	17,759,760				
		–	21,431,168	–	21,431,168				
Financial assets measured at fair value									
Financial assets - Investments	5	52,707,128	–	–	52,707,128	52,707,128	–	–	52,707,128
Financial liabilities not measured at fair value									
Trade and other payables**	12	–	–	(6,721,093)	(6,721,093)				

* 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 measured at fair value through profit or loss are based on their quoted bid prices (Level 1 fair value) as of the reporting date. The Hospice may invest in quoted securities (bonds or equities) or open-ended funds where NAV is calculated daily, and units are subscribed to or redeemed at the published price. These investments, consisting primarily of actively traded and quoted securities, are classified as Level 1 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, trade 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.

23 Leases

Leases as lessee (FRS 116)

The Hospice leases land, building and office equipment. The leases typically run for a period of two to nine years, with an option to renew the lease after that date. Lease payments are renegotiated every two to nine 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 \$	Building \$	Office equipment \$	Total \$
2025				
At 1 April 2024	30,479	9,818,315	45,058	9,893,852
Additions	–	20,457	43,476	63,933
Lease modification	–	(559,987)	–	(559,987)
Depreciation for the year	(30,479)	(1,058,008)	(15,541)	(1,104,028)
At 31 March 2025	–	8,220,777	72,993	8,293,770
2024				
At 1 April 2023	304,418	–	27,237	331,655
Additions	60,960	10,294,932	26,678	10,382,570
Depreciation for the year	(334,899)	(476,617)	(8,857)	(820,373)
At 31 March 2024	30,479	9,818,315	45,058	9,893,852

Amounts recognised in statement of comprehensive income

	2025	2024
	\$	\$
Leases under FRS 116		
Interest on lease liabilities	(367,926)	(167,823)
Expenses relating to short-term leases	(18,700)	(23,550)
	<u>(386,626)</u>	<u>(191,373)</u>

Amounts recognised in statement of cash flows

	2025	2024
	\$	\$
Total cash outflow for leases	<u>1,404,462</u>	<u>916,178</u>

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. The Hospice has estimated that the potential future lease payments, should it exercise the extension option, would result in an increase in lease liability of \$7,027,826.

24 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:

	2025	2024
	\$	\$
Key management personnel		
- short-term employee benefits	1,098,791	1,080,187
	<u>1,098,791</u>	<u>1,080,187</u>

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:

	2025	2024
	\$	\$
Donations received from Governing Council members	<u>183,684</u>	<u>151,477</u>

25 Commitments

At the reporting date, the Hospice has other capital expenditure of \$396,611 (2024: \$3,822,641) which is expected to be incurred and settled in 2026. The committed capital expenditure will be funded by the MOH.