

## **SINGAPORE HOSPICE COUNCIL**

[UEN. S95SS0013E]

[Registered under the Societies Act (Chapter 311)  
in the Republic of Singapore]

### **AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017**

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## **Fiducia LLP**

(UEN. T10LL0955L)

Public Accountants and  
Chartered Accountants of Singapore

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**STATEMENT BY THE COUNCIL MEMBERS**

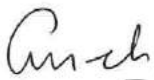
In the opinion of the Council Members, the accompanying financial statements as set out on pages 7 to 26 are drawn up so as to present fairly, in all material respects, the state of affairs of Singapore Hospice Council (the "SHC") as at 31 March 2017 and of the results, changes in funds and cash flows of SHC for the year then ended.

At the date of this statement, there are reasonable grounds to believe that SHC will be able to pay its debts as and when they fall due.

The Council Members, comprising the following, authorised the issue of these financial statements on **11 AUG 2017**

Chairman	Dr. Lee Onn Kei Angel
Vice-Chairman	Dr. Neo Soek Hui
Honorary Secretary	Ms. Lai Bew Meng
Honorary Treasurer	Dr. Ong Wah Ying
Ordinary Member	Dr. Chong Poh Heng
Ordinary Member	Mr. Chua Puay Hian
Ordinary Member	Dr. Low Yin Yee Sharon
Ordinary Member	Ms. Choo Shiu Ling
Ordinary Member	Dr. Joseph Ong Yew Jin
Ordinary Member	Sr. Tan Swee Hoon Geraldine Marie
Special Member	A/Prof Chan Mei Yoke
Special Member	Dr. Koh Lip Hoe
Special Member	Dr. Koh Yong Hwang Mervyn
Special Member	Dr. Seah Soek Tian, Angeline
Special Member	Dr. Norhisham Main
Co-opted Member	Dr. Ramasamy Akhileswaran
Co-opted Member	A/Prof Goh-Fung Cynthia Ruth

On behalf of the Council Members,



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Dr. Lee Onn Kei Angel  
Chairman



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Dr. Ong Wah Ying  
Honorary Treasurer

Singapore,  
**11 AUG 2017**

## **Fiducia LLP**

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Singapore

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Independent auditor's report to the members of:

### **SINGAPORE HOSPICE COUNCIL**

[UEN No. S95SS0013E]

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## **Report on the Audit of the Financial Statements**

### **Opinion**

We have audited the accompanying financial statements of Singapore Hospice Council (the "SHC") which comprise the statement of financial position as at 31 March 2017, and the statement of financial activities, statement of changes in funds and statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Societies Act, Chapter 311 (the "Societies Act"), the Charities Act, Chapter 37 and other relevant regulations (the "Charities Act and Regulations") and Financial Reporting Standards in Singapore ("FRSs") so as to present fairly, in all material respects, the state of affairs of SHC as at 31 March 2017 and the results, changes in funds and cash flows of SHC 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of SHC in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") 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 are responsible for the other information. The Other information comprises the information included in the Statement by the Council Members set out on page 2 but does not include the financial statements and our auditor's report thereon.

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

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

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(CONT'D)

Independent auditor's report to the members of:

### **SINGAPORE HOSPICE COUNCIL**

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### **Responsibilities of Management and Those Charged with Governance 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 are responsible for assessing SHC'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 SHC or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Society's financial reporting process.

### **Auditor's 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 auditor's 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 control.

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Independent auditor's report to the members of:

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### **Auditor's Responsibilities for the Audit of the Financial Statements (Cont'd)**

- Obtain an understanding of internal control 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 SHC's internal control.
- 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 SHC's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 auditor's report. However, future events or conditions may cause SHC to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### **Report on other Legal and Regulatory Requirements**

In our opinion, the accounting and other records required to be kept by SHC have been properly kept in accordance with the provisions of the Societies Regulations enacted under the Societies Act, the Charities Act and Regulations.

## Fiducia LLP

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### **Report on other Legal and Regulatory Requirements (Cont'd)**

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

- (a) SHC 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) SHC has not complied with the requirements of regulation 15 of the Charities (Institutions of a Public Character) Regulations.



#### **Fiducia LLP**

Public Accountants and  
Chartered Accountants  
Singapore, 11 AUG 2017

Partner-in-charge: Lee Choon Keat  
PAB No.: 01721

**STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2017**

	Notes	2017 S\$	2016 S\$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	4	586,949	460,469
Trade and other receivables	5	624,630	403,366
		<u>1,211,579</u>	<u>863,835</u>
<b>Non-current asset</b>			
Plant and equipment	6	<u>12,535</u>	<u>21,826</u>
<b>Total assets</b>		<u>1,224,114</u>	<u>885,661</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	7	<u>336,124</u>	<u>81,099</u>
<b>Total liabilities</b>		<u>336,124</u>	<u>81,099</u>
<b>NET ASSETS</b>		<u>887,990</u>	<u>804,562</u>
<b>FUNDS</b>			
<b>Unrestricted funds</b>			
Accumulated fund	8	854,976	759,513
SHC-Lien Foundation Project fund	9	0	3,710
<b>Restricted fund</b>			
NGPC palliative care standards fund	10	<u>33,014</u>	<u>41,339</u>
		<u>887,990</u>	<u>804,562</u>

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

**STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017**

**2017**

**INCOME**

**Income from generating funds**

- Voluntary Income
- Donations - Tax deductible
- Non-Tax deductible
- Subscription income

**Income from charitable activities**

- AIC funds - T003 Community outreach programme
- Medical student programme
- National Heritage Board grant
- NCSS grant
- Asia Pacific Hospice Conference - Tax deductible donations
- Non-Tax deductible donations
- Overprovision for AIC funds - TA007 Community outreach programme

**Other income**

- Interest
- Other income

**Total income**

**EXPENDITURE**

**Cost of charitable activities**

- Community outreach expenses
- Hospice Link
- Medical student programme
- Palliative care standard expenses

	Unrestricted funds		Restricted fund	Total funds S\$
	Accumulated fund S\$	SHC-Lien Foundation Project fund S\$	NGPC palliative care standards fund S\$	
	66,375	0	0	66,375
	737	0	0	737
	4,000	0	0	4,000
	71,112	0	0	71,112
	155,437	0	0	155,437
	190,696	0	0	190,696
	5,000	0	0	5,000
	6,800	0	0	6,800
	167,500	0	0	167,500
	2,500	0	0	2,500
	(1,737)	0	0	(1,737)
	526,196	0	0	526,196
	2,871	0	0	2,871
	10,289	0	0	10,289
	13,160	0	0	13,160
	610,468	0	0	610,468
	9,276	0	0	9,276
	36,559	0	0	36,559
	181,485	0	0	181,485
	0	0	4,815	4,815
	227,320	0	4,815	232,135



**STATEMENT OF FINANCIAL ACTIVITIES**  
**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017 (CONT'D)**

2017 (Cont'd)	Note	Unrestricted funds		Restricted fund NGPC palliative care standards fund	Total funds
		Accumulated fund S\$	SHC-Lien Foundation Project fund S\$		
<b>EXPENDITURE (CONT'D)</b>					
<b>Governance and other administrative costs</b>					
Accounting fees		21,600	0	0	21,600
Audit fees – current year		4,800	0	0	4,800
Bank charges		562	0	0	562
CPF and SDL contributions		26,361	0	510	26,871
Depreciation	6	9,978	0	0	9,978
Insurance - public liability		1,746	0	0	1,746
IT charges		180	0	0	180
Office service charges		5,893	0	0	5,893
Postage and courier expenses		1,430	0	0	1,430
Printing and stationery		2,076	0	0	2,076
Professional fees		22,500	0	0	22,500
Refreshments		146	0	0	146
Salaries and wages		182,796	0	3,000	185,796
Staff medical expenses		1,155	0	0	1,155
Staff training		4,066	0	0	4,066
Staff welfare		75	0	0	75
Subscription fees		525	0	0	525
Telecommunications		2,724	0	0	2,724
Transportation		473	0	0	473
Upkeep of office expenses		650	0	0	650
Website maintenance expenses		1,188	0	0	1,188
Utilities		471	0	0	471
		<u>291,395</u>	<u>0</u>	<u>3,510</u>	<u>294,905</u>
<b>Total expenditure</b>		<u>518,715</u>	<u>0</u>	<u>8,325</u>	<u>527,040</u>
<b>NET INCOME / (EXPENDITURE) FOR THE YEAR</b>		<u>91,753</u>	<u>0</u>	<u>(8,325)</u>	<u>83,428</u>

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

STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017 (CONT'D)

2016

**INCOME****Income from generating funds**

Voluntary Income

- Donations – Tax deductible
- Non-Tax deductible
- Subscription income

**Income from charitable activities**

- AIC funds - TA007 Community outreach programme
- TJ003 Community outreach programme
- Medical student programme
- MOH funds - NGPC palliative care standards
- Voices for Hospices – Tax deductible
- Non-Tax deductible

**Other income**

- Interest
- Other income

**Total income****EXPENDITURE****Cost of charitable activities**

- Community outreach expenses
- Hospice Link
- Medical student programme
- Voices for Hospices expenses
- Palliative care standard expenses

	Unrestricted funds		Restricted fund	Total funds S\$
	Accumulated fund S\$	SHC-Lien Foundation Project fund S\$	NGPC palliative care standards fund S\$	
	11,039	0	0	11,039
	1,671	0	0	1,671
	3,000	0	0	3,000
	15,710	0	0	15,710
	88,281	0	0	88,281
	150,312	0	0	150,312
	238,764	0	0	238,764
	0	0	378,947	378,947
	128,100	0	0	128,100
	1,114	0	0	1,114
	606,571	0	378,947	985,518
	3,058	0	0	3,058
	7,921	0	0	7,921
	10,979	0	0	10,979
	633,260	0	378,947	1,012,207
	10,755	0	0	10,755
	41,389	0	0	41,389
	232,007	0	0	232,007
	25,559	0	0	25,559
	0	0	250,267	250,267
	309,710	0	250,267	559,977

STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017 (CONT'D)

2016 (Cont'd)	Note	Unrestricted funds		Restricted fund	Total funds
		Accumulated fund S\$	SHC-Lien Foundation Project fund S\$	NGPC palliative care standards fund S\$	
<b>EXPENDITURE (CONT'D)</b>					
<b>Governance and other administrative costs</b>					
Accounting fees		4,200	0	0	4,200
Advertising and promotions		293	0	0	293
Audit fees – current year		4,815	0	0	4,815
Audit fees – under provision in prior year		1,070	0	0	1,070
Bank charges		557	0	0	557
CPF and SDL contributions		17,786	0	7,743	25,529
Depreciation		9,677	0	0	9,677
Insurance - public liability	6	2,243	0	0	2,243
IT charges		246	0	0	246
Office service charges		5,358	0	0	5,358
Postage and courier expenses		929	0	0	929
Printing and stationery		765	0	0	765
Refreshments		767	0	0	767
Salaries and wages		119,006	0	50,820	169,826
Staff medical expenses		338	0	0	338
Staff training		390	0	0	390
Subscription fees		342	0	0	342
Telecommunications		3,773	0	0	3,773
Transportation		135	0	0	135
Upkeep of office expenses		726	0	0	726
Website maintenance expenses		4,853	0	0	4,853
Utilities		485	0	0	485
		178,754	0	58,563	237,317
<b>Total expenditure</b>		488,464	0	308,830	797,294
<b>NET INCOME FOR THE YEAR</b>		144,796	0	70,117	214,913

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

**STATEMENT OF CHANGES IN FUNDS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017**

	Unrestricted funds		Restricted fund	Total funds S\$
	Accumulated fund S\$	SHC-Lien Foundation Project fund S\$	NGPC palliative care standards fund	
<b>2017</b>				
<b>Balance at beginning of financial year</b>	759,513	3,710	41,339	804,562
Net income / (expenditure) for the year	91,753	0	(8,325)	83,428
Transfers to / (from) of funds	3,710	(3,710)	0	0
<b>Balance at end of financial year</b>	<u>854,976</u>	<u>0</u>	<u>33,014</u>	<u>887,990</u>
	Unrestricted funds		Restricted fund	Total funds S\$
	Accumulated fund S\$	SHC-Lien Foundation Project fund S\$	NGPC palliative care standards fund	
<b>2016</b>				
<b>Balance at beginning of financial year</b>	614,717	3,710	(28,778)	589,649
Net income for the year	144,796	0	70,117	214,913
<b>Balance at end of financial year</b>	<u>759,513</u>	<u>3,710</u>	<u>41,339</u>	<u>804,562</u>

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

**STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017**

	Notes	2017 S\$	2016 S\$
<b>Cash flows from operating activities</b>			
Net income for the year		83,428	214,913
Adjustments for:			
- Depreciation of plant and equipment	6	9,978	9,677
- Interest income		(2,871)	(3,058)
Operating cash flow before working capital changes		90,535	221,532
Changes in working capital			
- Trade and other receivables		(221,264)	(323,660)
- Trade and other payables		255,025	71,403
<b>Net cash provided by / (used in) operating activities</b>		124,296	(30,725)
<b>Cash flows from investing activities</b>			
Interest received		2,871	3,058
Purchases of plant and equipment	6	(687)	(2,111)
<b>Net cash generated from investing activities</b>		2,184	947
<b>Net increase / (decrease) in cash and cash equivalents</b>		126,480	(29,778)
<b>Cash and cash equivalents at beginning of financial year</b>		460,469	490,247
<b>Cash and cash equivalents at end of financial year</b>	4	586,949	460,469

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

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

### 1. General information

Singapore Hospice Council (the "SHC") is registered with the Registry of Societies under the Societies Act (Chapter 311) in Singapore on 3 May 1995. SHC is a charity registered under the Charities Act since 3 August 1996. It has been granted an Institution of a Public Character ("IPC") status for the period from 1 October 2015 to 30 September 2017.

Its registered address and principal place of business is at 133 New Bridge Road, #04-06 Chinatown Point, Singapore 059413.

The objectives of SHC are:

- to coordinate and promote hospice and palliative care in Singapore;
- to provide and coordinate training in hospice and palliative care;
- to promote public awareness of hospices and palliative care in Singapore; and
- to act as the representative body for hospice and palliative care in Singapore and internationally.

### 2. Significant accounting policies

#### 2.1 Basis of preparation

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRSs") and the disclosure requirements of the Charities Act. The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

These financial statements are presented in Singapore Dollar (S\$), which is SHC's functional currency.

The preparation of these financial statements in conformity with FRSs requires management to exercise its judgement in the process of applying SHC's accounting policies. It also requires the use of certain critical accounting estimates and assumptions.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

##### 2.1.1 Interpretations and amendments to published standards effective in 2017

SHC has adopted the new or revised FRSs and Interpretations to FRSs (INT FRSs) that are mandatory for application from that date. Changes to SHC's accounting policies have been made as required, in accordance with the relevant transitional provisions in the respective FRSs and INT FRSs. The following are the FRSs and INT FRSs that are relevant to the SHC:

<u>FRS</u>	<u>Effective date</u>	<u>Title</u>
FRS 1	1.1.2016	Presentation of financial statements (Disclosure initiative)
FRS 19	1.1.2016	Employee benefits (Determining the discount rates for post-employment benefit obligations)

The adoption of these new or amended FRSs and INT FRSs did not result in substantial changes to the accounting policies of SHC and had no material effect on the amounts reported for the current or prior financial year.

## 2. Significant accounting policies (Cont'd)

### 2.1. Basis of preparation (Cont'd)

#### 2.1.2 Standards issued but not yet effective

SHC did not early adopt the following relevant new/revised FRSs, INT FRSs and amendments to FRSs that were issued at the date of authorisation of these financial statements but which are not yet effective until future periods:

<u>FRS</u>	<u>Effective date</u>	<u>Title</u>
FRS 109	1.1.2018	Financial instruments
FRS 115	1.1.2018	Revenue from Contracts with Customers
FRS 116	1.1.2019	Leases

Management believe that the adoption of the revised standards and interpretations will have no material impact on the financial statements in the period of initial application.

### 2.2 Financial assets

#### 2.2.1 Classification

SHC classifies its financial assets as loans and receivables. The classification depends on the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting date.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except those maturing later than 12 months after the reporting date, which are classified as non-current assets. Loans and receivables are classified within "Cash and cash equivalents" and "Trade and other receivables" on the statement of financial position.

#### 2.2.2 Recognition and derecognition

Usual purchases and sales of financial assets are recognised on trade-date – the date on which SHC commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and SHC has transferred substantially all risks and rewards of ownership. On disposal sale of a financial asset, the difference between the net sale proceeds and its carrying amount is taken to the statement of financial activities. Any amount in the fair value reserve relating to that asset is also taken to the statement of financial activities.

#### 2.2.3 Initial measurement

Financial assets are initially recognised at fair value plus transaction costs except for financial assets at fair value through the statement of financial activities, which are recognised at fair value. Transaction costs for financial assets at fair value through the statement of financial activities are recognised immediately as expenses.

#### 2.2.4 Subsequent measurement

Loans and receivables are subsequently carried at amortised cost using the effective interest method.



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## **2. Significant accounting policies (Cont'd)**

### **2.3 Financial assets (Cont'd)**

#### **2.2.5 Impairment**

SHC assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired and recognises an allowance for impairment when such evidence exists.

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the receivable is impaired.

An allowance for impairment of loans and receivables including trade and other receivables, is recognised when there is objective evidence that SHC will not be able to collect all amounts due according to the original terms of the receivables.

The amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When the amount becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised against the same line item in profit or loss.

The allowance for impairment loss account is reduced through statement of financial activities in a subsequent period when the amount of impairment losses decreases and the related decrease can be objectively measured. The carrying amount of the asset previously impaired is increased to the extent that the new carrying amount does not exceed the amortised cost had no impairment been recognised in prior periods.

### **2.3 Cash and cash equivalents**

Cash and cash equivalents include cash on hand and deposits with financial institutions that are subject to an insignificant risk of change in value.

### **2.4 Plant and equipment**

#### **2.4.1 Measurement**

Plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

The cost of an item of plant and equipment initially recognised includes its purchase price and any costs that are directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by Management.

#### **2.4.2 Depreciation**

Depreciation of plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

	Useful lives
Computer and office equipment	3 to 5 years
Renovations & furniture and fittings	5 years

The residual values, estimated useful lives and depreciation method of plant and equipment are reviewed, and adjusted as appropriate, at each reporting date. The effects of any revision are recognised in the statement of financial activities in the financial year in which the changes arise.



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## **2. Significant accounting policies (Cont'd)**

### **2.4 Plant and equipment (Cont'd)**

#### **2.4.3 Subsequent expenditure**

Subsequent expenditure relating to plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to SHC and the cost of the item can be measured reliably. Other subsequent expenditure is recognised as repair and maintenance expenses in the statement of financial activities during the financial year in which it is incurred.

#### **2.4.4 Disposal**

On disposal of an item of plant and equipment, the difference between the net disposal proceeds and its carrying amount is taken to the statement of financial activities.

### **2.5 Impairment of non-financial assets**

Plant and equipment are reviewed for impairment whenever there is any indication that these assets may be impaired. If any such indication exists, the recoverable amount (i.e. the higher of the fair value less cost to sell and value in use) of the assets is estimated to determine the amount of impairment loss.

For the purpose of impairment testing of the assets, recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the cash-generating unit (CGU) to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. The impairment loss is recognised in the statement of financial activities.

An impairment loss for an asset is reversed if there has been a change in the estimates used to determine the assets' recoverable amount since the last impairment loss was recognised. The carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset is recognised in the statement of financial activities.

### **2.6 Financial liabilities**

Financial liabilities are recognised when SHC becomes a party to the contractual agreements of the instrument and are classified according to the substance of the contractual arrangements entered into. All interest related charges are recognised in the statement of financial activities. Financial liabilities include "Trade and other payables".

Financial liabilities are derecognised when the obligations under the liability are discharged, cancelled or expired. When existing financial liabilities are replaced by another from the same lender on substantially different terms of an existing liability or are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognised in the statement of financial activities.

### **2.7 Trade and other payables**

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost, using the effective interest method.

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## **2. Significant accounting policies (Cont'd)**

### **2.8 Provisions**

Provisions for other liabilities and charges are recognised when SHC has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

### **2.9 Funds**

Fund balances restricted by outside sources are so indicated and are distinguished from unrestricted funds allocated to specific purposes, if any, by action of the Council Members. Externally restricted funds may only be utilised in accordance with the purposes for which they are established. The Council Members retains full control over the use of unrestricted funds for any of SHC's purposes.

### **2.10 Revenue recognition**

Revenue comprises the fair value of the consideration received or receivable for the services rendered in the ordinary course of SHC's activities. Revenue is recognised as follows:

#### **2.10.1 Donations**

Uncommitted donations, income from charity events and all income except as listed below, are recognised on receipt basis. Donations-in-kind are recognised when the fair value of the assets received can be reasonably ascertained.

#### **2.10.2 Government grants**

Grants are recognised when there is reasonable assurance SHC will comply with the conditions related to them and that the grants are certain to be received.

#### **2.10.3 Income from services**

Income from services is recognised over the period in which the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be performed.

#### **2.10.4 Interest income**

Interest income is recognised on a time-proportion basis using the effective interest method.

#### **2.10.5 Other income**

Other income is recognised when received.

### **2.11 Expense recognition**

All expenses are accounted for on accrual basis, aggregated under the respective areas. Direct costs are attributed to the activity where possible. Where costs are not wholly attributable to an activity, they are apportioned on a basis consistent with the use of resources.

Cost of charitable activities comprises all costs incurred in the pursuit of the charitable objects of SHC. The total costs of charitable expenditure include an apportionment of overhead and shared costs.

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## **2. Significant accounting policies (Cont'd)**

### **2.11 Expense recognition (Cont'd)**

Governance and administrative costs include costs of governance arrangement, which relate to the general running of SHC, providing governance infrastructure and ensuring public accountability. These costs include costs related to constitutional and statutory requirements and an apportionment of overhead and shared costs.

### **2.12 Leases**

Leases of assets in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are taken to the statement of financial activities on a straight-line basis over the period of the lease. When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

Rental on operating lease is charged to statement of financial activities. Contingent rents are recognised as an expense in the statement of financial activities in the financial year in which they are incurred.

### **2.13 Employee compensation**

#### **2.13.1 Defined contribution plans**

- Defined contribution plans are post-employment benefit plans under which SHC pays fixed contributions into separate entities such as the Central Provident Fund ("CPF"), on a mandatory, contractual or voluntary basis. SHC has no further payment obligations once the contributions have been paid. SHC's contribution to defined contribution plans are recognised as employee compensation expense when they are due.

#### **2.13.2 Employee leave entitlement**

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the reporting date.

### **2.14 Income tax**

SHC is a charity registered under the Charities Act since 3 August 1996. Consequently, the income of SHC is exempted from tax under the provisions of Section 13 of the Income Tax Act Cap. 134.

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## 2. Significant accounting policies (Cont'd)

### 2.15 Related parties

A related party is defined as follows:

- (a) A person or a close member of that person's family is related to SHC if that person:
  - (i) Has control or joint control over SHC;
  - (ii) Has significant influence over SHC; or
  - (iii) Is a member of the key management personnel of SHC or of a parent of SHC;
- (b) An entity is related to SHC if any of the following conditions applies:
  - (i) The entity and SHC are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others;
  - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
  - (iii) Both entities are joint ventures of the same third party;
  - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
  - (v) The entity is a post-employment benefit plan for the benefit of employees of either SHC or an entity related to SHC. If SHC is itself such a plan, the sponsoring employers are also related to SHC;
  - (vi) The entity is controlled or jointly controlled by a person identified in (a);
  - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
  - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

## 3. Critical accounting estimates, assumptions and judgements

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

### 3.1 Critical accounting estimates and assumptions

SHC makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

#### 3.1.1 Estimated useful lives of plant and equipment

SHC reviews annually the estimated useful lives of plant and equipment based on factors such as operating plans and strategies, expected level of usage and future technological developments. It is possible that future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned.

### 3. Critical accounting estimates, assumptions and judgements (Cont'd)

#### 3.2 Critical judgements in applying the entity's accounting policies

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

##### 3.2.1 Impairment of plant and equipment

Plant and equipment are reviewed for impairment whenever there is any indication that the assets are impaired. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and value in use) of the assets is estimated to determine the impairment loss. The key assumptions for the value in use calculation are those regarding the growth rates, and expected change to selling price and direct costs during the year and a suitable discount rate.

##### 3.2.2 Allowance for impairment of receivables

SHC reviews the adequacy of allowance for impairment of receivables at each closing by reference to the ageing analysis of receivables, and evaluates the risks of collection according to the credit standing and collection history of individual debtors. If there are indications that the financial position of a debtor has deteriorated resulting in an adverse assessment of its risk profile, an appropriate amount of allowance will be provided.

### 4. Cash and cash equivalents

	2017 S\$	2016 S\$
Cash in banks	351,188	125,423
Cash on hand	0	360
Fixed deposits	235,761	334,686
	<u>586,949</u>	<u>460,469</u>

Fixed deposits have terms of 1 month (2016: 1 month) and have interest rates of 0.95% (2016: 1.0%).

At the reporting date, the carrying amounts of cash and cash equivalents approximated their fair values.

### 5. Trade and other receivables

	2017 S\$	2016 S\$
Receivables from charitable activities		
- Accounts receivables	253,468	41,038
- Grants receivables	209,631	325,990
Other receivables		
- Deferred expenses - APHC	159,390	22,780
- Deposits	1,392	1,392
- Fixed deposit interest receivable	31	128
- Prepayments	718	1,301
- Others	0	10,737
	<u>624,630</u>	<u>403,366</u>

"APHC" refers to Asia Pacific Hospice Conference. The conference will be held on 26 to 29 July 2017. Expenses paid relating to the conference are deferred.

At the reporting date, the carrying amounts of trade and other receivables approximated their fair values.

6. Plant and equipment

2017	Balance at beginning of year S\$	Additions S\$	(Disposals) S\$	Balance at end of year S\$
<b>Cost</b>				
Renovations & furniture and fittings	37,662	3	0	37,665
Computer and office equipment	12,361	684	0	13,045
	<u>50,023</u>	<u>687</u>	<u>0</u>	<u>50,710</u>
	Balance at beginning of year S\$	Depreciation charge S\$	(Written back/off) S\$	Balance at end of year S\$
<b>Accumulated depreciation</b>				
Renovations & furniture and fittings	22,357	7,533	0	29,890
Computer and office equipment	5,840	2,445	0	8,285
	<u>28,197</u>	<u>9,978</u>	<u>0</u>	<u>38,175</u>
	Balance at beginning of year S\$			Balance at end of year S\$
<b>Net book value</b>				
Renovations & furniture and fittings	15,305			7,775
Computer and office equipment	<u>6,521</u>			<u>4,760</u>
	<u>21,826</u>			<u>12,535</u>
<b>2016</b>	Balance at beginning of year S\$	Additions S\$	(Disposals) S\$	Balance at end of year S\$
<b>Cost</b>				
Renovations & furniture and fittings	37,148	514	0	37,662
Computer and office equipment	10,764	1,597	0	12,361
	<u>47,912</u>	<u>2,111</u>	<u>0</u>	<u>50,023</u>
	Balance at beginning of year S\$	Depreciation charge S\$	(Written back/off) S\$	Balance at end of year S\$
<b>Accumulated depreciation</b>				
Renovations & furniture and fittings	14,859	7,498	0	22,357
Computer and office equipment	3,661	2,179	0	5,840
	<u>18,520</u>	<u>9,677</u>	<u>0</u>	<u>28,197</u>
	Balance at beginning of year S\$			Balance at end of year S\$
<b>Net book value</b>				
Renovations & furniture and fittings	22,289			15,305
Computer and office equipment	<u>7,103</u>			<u>6,521</u>
	<u>29,392</u>			<u>21,826</u>



**7. Trade and other payables**

	2017 S\$	2016 S\$
Payables for charitable activities		
- Outside parties	3,967	13,456
- Related parties	35,612	39,693
Other payables		
- Accruals	7,300	9,015
- Deferred income – APHC	276,958	0
- Deferred income – Subscription fee	2,400	0
- GST liabilities	9,873	0
- Other creditors	14	18,935
	<u>336,124</u>	<u>81,099</u>

At the reporting date, the carrying amounts of trade and other payables approximated their fair values.

**8. Accumulated fund**

The accumulated fund represents the accumulated net income of SHC and is for the purpose of meeting its expenditure in accordance with the objectives of SHC.

**9. SHC-Lien Foundation Project fund**

SHC-Lien Foundation Project fund comprises funds for two programmes, namely,

(a) Hospice Awareness Project

The programme aims to increase public awareness of hospice palliative care in Singapore and improve the perception of hospices.

(b) Scholarship and Fellowship Programme for Palliative Care

The programme aims to increase the manpower available in palliative care practice, attract foreign talent and upgrade the skills of local doctors and nurses involved in palliative care.

There were no activities held for the Hospice Awareness Project and Scholarship and Fellowship Programme during the financial year ended 31 March 2017 (2016: Nil).

During the year, Council Members approved the transfer of the remaining amount of S\$3,710 in SHC-Lien Project Foundation fund to the accumulated fund.

**10. NGPC palliative care standards fund**

The National Guidelines for Palliative Care (“NGPC”) is a project developed in fulfilment of one of the goals in the National Strategy for Palliative Care. The guidelines provide guidance in the delivery of high-quality care for the terminally ill, minimise gaps in service, improve the quality of training as well as ensure support for staff and volunteers serving in this field. The project is funded by the Ministry of Health (“MOH”).

# 11. Related party transactions

The following transactions took place between SHC and related parties during the financial year at terms agreed between the parties:

	2017 S\$	2016 S\$
Donation income	705	12,000
Medical student programme expenses	171,289	217,515
Palliative care standard expenses	2,996	127,618
Recovery of expenses - Insurance	4,103	2,761
Refreshments	111	0
Subscription income	4,000	3,000

The remuneration of key management personnel during the year is as follows:

	2017 S\$	2016 S\$
Short-term benefits – Salaries and other benefits	100,583	78,000
Post-employment benefits - Contributions to CPF	13,815	11,560
	<u>114,398</u>	<u>89,560</u>
	No. of key management personnel	No. of key management personnel
Remuneration band		
Above S\$100,000	1	0
Below S\$100,000	<u>0</u>	<u>1</u>

The remuneration of key management personnel is determined by the Council Members.

In 2017 and 2016, members of the Council were volunteers and none received any remuneration from SHC.

# 12. Operating lease commitments

As at the reporting date, SHC has commitments for future minimum lease payments under non-cancellable operating leases as follows:

	2017 S\$	2016 S\$
Not later than one year	5,757	5,358
Later than one year but not more than five years	0	4,464
	<u>5,757</u>	<u>9,822</u>

The above operating lease commitments are based on known office service charges rates as at the date of this report and do not include any revision in rates which may be determined by the lessor. The leases have varying terms, escalation clauses and renewal rights.

# 13. Management of conflict of interest

There is no paid staff amongst SHC's Council Members.

Council Members are required to disclose any interest that they may have, whether directly or indirectly, that SHC may enter into or in any organisations that SHC has dealings with or is considering dealing with; and any personal interest accruing to him as one of SHC's supplier, user of services or beneficiary. Should there be any potential conflict of interest, the affected SHC Council Members may not vote on the issue that was the subject matter of the disclosure. Detailed minutes will be taken on the disclosure as well as the basis for arriving at the final decision in relation to the issue at stake.



## 14. Financial risk management

SHC has limited exposure to the following risks through its charitable activities:

### 14.1 Liquidity risk

Liquidity risk is the risk that SHC will encounter difficulty in meeting its financial obligations due to shortage of funds. SHC exposure to liquidity risk arises primarily from mis-matches of the maturities of financial assets or liabilities.

SHC manages its liquidity risk by monitoring and maintaining a level of cash and bank balances deemed adequate by Management to fund SHC's operations.

The table below summarises the maturity profile of SHC's financial assets and liabilities at the end of the reporting period based on the contractual undiscounted repayment obligations:

	Within one year S\$	Later than one year but not later than five years S\$	Total S\$
<b>2017</b>			
<b>Financial assets</b>			
Cash and cash equivalents	586,949	0	586,949
Trade and other receivables	464,522	0	464,522
	<u>1,051,471</u>	<u>0</u>	<u>1,051,471</u>
<b>Financial liabilities</b>			
Trade and other payables	(46,893)	0	(46,893)
	<u>1,004,578</u>	<u>0</u>	<u>1,004,578</u>
<b>2016</b>			
<b>Financial assets</b>			
Cash and cash equivalents	460,469	0	460,469
Trade and other receivables	379,285	0	379,285
	<u>839,754</u>	<u>0</u>	<u>839,754</u>
<b>Financial liabilities</b>			
Trade and other payables	(81,099)	0	(81,099)
	<u>758,655</u>	<u>0</u>	<u>758,655</u>

### 14.2 Credit risk

Credit risk is the potential financial loss resulting from the customer defaulting on its contractual obligations to SHC. The credit risk on liquid funds is limited because the counterparty is a bank with high credit rating assigned by international credit agencies. SHC had no significant concentration of credit risk.

SHC's maximum exposure to credit risk is represented by the carrying amount of financial assets recorded in the financial statements.

### 14.3 Interest rate risk

SHC's income and operating cash flows are not substantially affected by changes in market interest rates as they do not have significant interest-bearing assets or liabilities as at the reporting date.

The responsibility for managing the above risks is vested in the Management.

#### 14. Financial risk management (Cont'd)

##### 14.4 Fair value

As at 31 March 2017, the carrying amounts of the financial assets and liabilities recorded in the financial statements of SHC approximate their fair values due to their short-term nature.

#### 15. Reserve position and policy

SHC's reserve position for financial year ended 31 March 2017 is as follows:

		2017	2016	Increase / (Decrease)
		S\$'000	S\$'000	%
A	Unrestricted funds			
	Accumulated general funds	855	760	11.45
	Unrestricted designated fund	0	4	(100)
B	Restricted fund	33	41	(19.51)
C	Endowment funds	N/A	N/A	N/A
D	Total funds	888	805	10.31
E	Total annual operating expenditure	519	489	6.14
F	Ratio of funds to annual operating expenditure (A/E)	1.65	1.55	

Reference:

C. An endowment fund consists of assets, funds or properties, which are held in perpetuity, which produce annual income flow for a foundation to spend as grants.

D. Total funds include unrestricted, restricted / designated and endowment funds.

E. Total annual operating expenditure includes expenditure related to cost of charitable activities and governance and other operating and administration expenditure.

SHC's reserve policy is as follows:

SHC would hold its reserves up to three year's operational expenses.

#### 16. Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the Council Members on 11 AUG 2017