

SINGAPORE HOSPICE COUNCIL

Unique Entity Number: S95SS0013E

COUNCIL MEMBERS' STATEMENT AND AUDITED FINANCIAL STATEMENTS

for the financial year ended 31 March 2021

COUNCIL MEMBERS

Chairman

Dr Neo Soek Hui

Vice Chairman

Dr Chong Poh Heng

Honorary Secretary

Dr Wu Huei Yaw

Honorary Treasurer

Mr Chey Chor Wai

Council Members

Dr Pope Andrew Villarosa Samson

Associate Professor Chan Mei Yoke

Dr Dennis Chia Bingzhu

Mr Albert Ching Liang Heng

Ms Choo Shiu Ling

Dr Koh Lip Hoe

Dr Lee Guozhang

Dr Lee Onn Kei Angel

Dr Lim Boon Howe Edwin

Dr Loo Yu Xian

Associate Professor James Alvin Low Yiew Hock

Dr Neo Han Yee

Dr Norhisham Main

Dr Ong Qing Liang

Dr Tan Hong Weng

Sr Tan Swee Hoon Geraldine Marie

Ms Jasmine Wong Suet Ling

Dr Yang Meijuan Grace

Dr Yong Woon Chai

Co-opted Council Members

Associate Professor Goh-Fung Cynthia Ruth

Dr Koh Yong Hwang Mervyn

Auditors

Kreston Ardent CAtrust PAC

Public Accountants and Chartered Accountants of Singapore

30 Cecil Street

#15-03/04 Prudential Tower

Singapore 049712

Index

Pages

Council members' statement

2

Independent auditor's report

3 - 5

Statement of financial activities

6 - 7

Statement of financial position

8

Statement of changes in funds

9

Statement of cash flows

10

Notes to the financial statements

11 - 36

SINGAPORE HOSPICE COUNCIL

COUNCIL MEMBERS' STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

In the opinion of the Council Members,

- a) the accompanying financial statements of Singapore Hospice Council ("SHC") are drawn up so as to present fairly, in all material respects, the financial position of SHC as at 31 March 2021 and the financial activities, changes in funds and cash flows of SHC for the year ended on that date; and
- b) 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 approved and authorised these financial statements for issue.

On behalf of the Council Members,



Dr Neo Soek Hui
Chairman



Mr Chey Chor Wai
Honorary Treasurer

Date: 18 AUG 2021

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SINGAPORE HOSPICE COUNCIL

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

We have audited the financial statements of Singapore Hospice Council ("SHC"), which comprise the statement of financial position as at 31 March 2021, 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 financial position of SHC as at 31 March 2021 and the financial activities, 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 is responsible for the other information. The other information comprises the Statement by the Council Members set out on page 2.

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 Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of 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 and error.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SINGAPORE HOSPICE COUNCIL (CONTINUED)

Responsibilities of Management and Those Charged with Governance for the Financial Statements (Continued)

In preparing the financial statements, management is 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 comprises of the Council Members. Their responsibilities include overseeing SHC'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.
- 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF SINGAPORE HOSPICE COUNCIL (CONTINUED)

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

- 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 the Council Members 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,

- i) 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; and
- ii) the fund-raising appeals held during the financial year ended 31 March 2021 have 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) 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.

The engagement partner on the audit resulting in this independent auditor's report is Koh Wee Kwang.



KRESTON ARDENT CATRUST PAC
Public Accountants and Chartered Accountants
Singapore

Date: 18 August 2021

SINGAPORE HOSPICE COUNCIL

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

		2021				
		<u>Unrestricted fund</u>	<u>Restricted funds</u>			<u>Total Funds</u>
	Note		Ministry of Health (MOH) community engagement and quality improvement fund	Community Chest charity support fund	Invictus Fund	
		<u>Accumulated fund</u>	<u>fund</u>	<u>fund</u>	<u>Fund</u>	
		\$	\$	\$	\$	\$
Income						
Income from activities for generating funds	4	214,022	-	-	-	214,022
Income from charitable activities	5	411,827	991,628	50,000	50,000	1,503,455
Other income	6	177,394	-	-	-	177,394
Total income		<u>803,243</u>	<u>991,628</u>	<u>50,000</u>	<u>50,000</u>	<u>1,894,871</u>
Less: Expenditure						
Cost of charitable activities	7	179,488	461,202	-	2,010	642,700
Governance and administrative costs	8	319,019	419,899	51,272	1,639	791,829
Total expenditure		<u>498,507</u>	<u>881,101</u>	<u>51,272</u>	<u>3,649</u>	<u>1,434,529</u>
Net (deficit) / surplus for the year, representing total comprehensive (loss) / income for the year		<u>304,736</u>	<u>110,527</u>	<u>(1,272)</u>	<u>46,351</u>	<u>460,342</u>

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

		2020			
		<u>Unrestricted fund</u>	<u>Restricted funds</u>		<u>Total funds</u>
			MOH community engagement and quality improvement fund	Community Chest charity support fund	
		Note	Accumulated fund \$	fund \$	\$
Income					
Income from activities for generating funds	4		304,111	-	304,111
Income from charitable activities	5		199,231	1,498,224	1,747,455
Other income	6		20,457	-	20,457
Total income			<u>523,799</u>	<u>1,498,224</u>	<u>2,072,023</u>
Less: Expenditure					
Cost of charitable activities	7		176,930	-	1,514,555
Governance and administrative costs	8		439,212	25,735	744,761
Total expenditure			<u>616,142</u>	<u>25,735</u>	<u>2,259,316</u>
Net (deficit) / surplus for the year, representing total comprehensive (loss) / income during the year					
			<u>(92,343)</u>	<u>24,265</u>	<u>(187,293)</u>

SINGAPORE HOSPICE COUNCIL

**STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2021**

	Note	<u>2021</u> \$	<u>2020</u> \$
Assets			
Non-current assets			
Plant and equipment	10	8,973	12,773
Deposits (non-refundable)	11	79,031	-
		<u>88,004</u>	<u>12,773</u>
Current assets			
Trade and other receivables	12	34,896	199,443
Cash and cash equivalents	13	1,857,030	1,420,838
		<u>1,891,926</u>	<u>1,620,281</u>
Total assets		<u>1,979,930</u>	<u>1,633,054</u>
Funds and liabilities			
Current liabilities			
Contract liabilities	5	38,107	42,090
Trade and other payables	14	101,690	211,173
		<u>139,797</u>	<u>253,263</u>
Funds			
Unrestricted fund			
Accumulated fund		<u>1,179,062</u>	<u>874,326</u>
Restricted funds			
MOH community engagement and quality improvement fund		591,727	481,200
Community Chest charity support fund		22,993	24,265
The Invictus fund		46,351	-
		<u>661,071</u>	<u>505,465</u>
Total funds		<u>1,840,133</u>	<u>1,379,791</u>
Total funds and liabilities		<u>1,979,930</u>	<u>1,633,054</u>

SINGAPORE HOSPICE COUNCIL

STATEMENT OF CHANGES IN FUNDS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

	Unrestricted fund	Restricted funds				Total funds
		<u>MOH community engagement and quality improvement fund</u> \$	<u>Temasek Foundation Cares grief and bereavement fund</u> \$	<u>Community Chest charity support fund</u> \$	<u>Invictus fund</u> \$	
At 1 April 2019	<u>Accumulated fund</u> \$					
Return of fund	966,669	600,415	38,970	-	-	1,606,054
Net (deficit) / surplus for the year, representing total comprehensive (loss) / income during the year	(92,343)	(119,215)	(38,970)	-	-	(38,970)
At 31 March 2020	<u>874,326</u>	<u>481,200</u>	<u>-</u>	<u>24,265</u>	<u>-</u>	<u>1,379,791</u>
At 1 April 2020	874,326	481,200	-	24,265	-	1,379,791
Net (deficit) / surplus for the year, representing total comprehensive (loss) / income during the year	304,736	110,527	-	(1,272)	46,351	460,342
At 31 March 2021	<u>1,179,062</u>	<u>591,727</u>	<u>-</u>	<u>22,993</u>	<u>46,351</u>	<u>1,840,133</u>

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

SINGAPORE HOSPICE COUNCIL

**STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021**

	<u>Note</u>	<u>2021</u> \$	<u>2020</u> \$
Cash flows from operating activities			
Surplus/(Deficit) for the financial year		460,342	(187,293)
Adjustments for:			
Depreciation of plant and equipment	10	8,822	8,261
Interest income	6	(3,966)	(9,577)
<i>Operating cash flows before changes in working capital</i>		<u>465,198</u>	<u>(188,609)</u>
Changes in working capital			
Trade receivables		(714)	(642)
Other receivables and prepayments		87,042	(176,503)
Trade payables		(58,208)	80,800
Other payables and accrued expenses		(51,275)	(34,007)
Contract liabilities		<u>(3,983)</u>	<u>39,540</u>
<i>Net cash flows generated from / (used in) operating activities</i>		<u>438,060</u>	<u>(279,421)</u>
Cash flows from investing activities			
Purchase of plant and equipment	10	(5,022)	(6,383)
Interest received		<u>3,154</u>	<u>8,389</u>
<i>Net cash flows (used in) / generated from investing activities</i>		<u>(1,868)</u>	<u>2,006</u>
Cash flow from financing activity			
Return of Temasek Foundation Cares grief and bereavement fund		-	(38,970)
<i>Net cash flows used in financing activity</i>		<u>-</u>	<u>(38,970)</u>
Net Increase / (decrease) in cash and cash equivalents		436,192	(316,385)
Cash and cash equivalents at beginning of the financial year		<u>1,420,838</u>	<u>1,737,223</u>
Cash and cash equivalents at end of the financial year	13	<u>1,857,030</u>	<u>1,420,838</u>

SINGAPORE HOSPICE COUNCIL

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

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

1. General

Singapore Hospice Council ("SHC") is registered with the Registry of Societies under the Societies Act (Chapter 311) in Singapore on 5 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 2019 to 30 September 2021. SHC's Unique Entity Number is S95SS0013E.

The registered office and principal place of business of SHC is located at 1 Lorong 2 Toa Payoh #07-00 Braddell House Singapore 319637.

The objectives of SHC are :-

- a) to improve quality of palliative care in Singapore;
- b) to promote awareness of and access to hospice and palliative care locally;
- c) provide and coordinate training in hospice and palliative care;
- d) support efforts in improving the quality of hospice and palliative care in Singapore; and
- e) undertake such activities which are incidental or conducive to the attainment of the above objects including being the collective voice of hospice and palliative care services in Singapore, to advance public understanding and champion quality care.

2. Summary of significant accounting policies

2.1 Basis of preparation

The financial statements of SHC have been drawn up in accordance with Financial Reporting Standards in Singapore ("FRSs"). The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollars (\$), which is SHC's functional currency. All financial information presented in Singapore Dollars has been rounded to the nearest dollar, unless otherwise indicated.

2.2 Adoption of new and revised standards

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, SHC has adopted all the new and revised standards which are relevant to SHC and are effective for annual financial periods beginning on or before 1 April 2020. The adoption of these standards did not have any material effect on the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

2. Summary of significant accounting policies (Continued)

2.3 Standards issued but not yet effective

A number of new standards, amendments to standards and interpretations are issued but effective for annual financial periods beginning after 1 April 2020. Earlier application is permitted but SHC has not early adopted the new amended standards when preparing these financial statements.

The following standards that have been issued but not yet effective and relevant to SHC are as follows:

Description	Effective for financial years beginning on or after
Amendment to FRS 116 <i>Leases: Covid-19-Related Rent Concessions</i>	1 June 2020
Amendments to FRS 16 <i>Property, Plant and Equipment: Proceeds before Intended Use</i>	1 January 2022
Amendments to FRS 37 <i>Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts – Cost of Fulfilling a Contract</i>	1 January 2022
Annual Improvements to FRSs 2018-2020	1 January 2022
Amendments to FRS 1 <i>Presentation of Financial Statements: Classification of Liabilities as Current or Non-current</i>	1 January 2023

SHC expects that the adoption of the standards above will have no material impact on the financial statements in the period of initial application.

2.4 Revenue recognition

The financial reporting standard on revenue from contracts with customers establishes a five-step model to account for revenue arising from contracts with customers. Revenue is recognised at an amount that reflects the consideration to which SHC expects to be entitled in exchange for transferring goods or services to a customer (which excludes estimates of variable consideration that are subject to constraints, such as right of return exists, trade discounts, volume rebates and changes to the transaction price arising from modifications), net of any related sales taxes and excluding any amounts collected on behalf of third parties. An asset (goods or services) is transferred when or as the customer obtains control of that asset. As a practical expedient the effects of any significant financing component is not adjusted if the payment for the goods or services will be within one year.

(i) Donations and sponsorships

Income from donations and sponsorships are recognised at a point in time when received, except for committed donations and sponsorships that are recorded when there is certainty over the amount committed by the donors and over the timing of the receipt of the donations and sponsorships. Revenue from fundraising event is recognised when the event has occurred.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

2. Summary of significant accounting policies (Continued)

2.4 Revenue recognition (Continued)

(ii) Government grants

Government grants are recognised as a receivable when there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, the fair value is recognised as deferred income on the statement of financial position and is recognised as income in equal amounts over the expected useful life of the related asset.

When loans or similar assistance are provided by governments or related institutions with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as additional government grant.

(iii) Income from services - Palliative Medical Student Programme and conference

Revenue from the services are recognised when SHC satisfies the performance obligation at a point in time generally when the significant acts have been completed and when transfer of control occurs. Due to COVID, the programme and conferences was put on hold for period 1 April 2020 to 31 March 2021.

(iv) Interest income

Interest income is recognised as income on an accrual basis.

(v) Other income

Other income is recognised upon receipt.

2.5 Employee benefits

(i) Defined contribution plans

SHC makes contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

(ii) Short-term employees' 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 if SHC 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

2. Summary of significant accounting policies (Continued)

2.6 Income tax

As an approved charity under the Charities Act, Cap. 37, SHC is exempted from income tax under Section 13U(1) of the Income Tax Act, Cap 134.

2.7 Plant and equipment

All items of plant and equipment are initially recorded at cost. Subsequent to recognition, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The cost of plant and equipment includes its purchase price and any costs 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. Dismantlement, removal or restoration costs are included as part of the cost of plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the plant and equipment.

Depreciation is calculated using the straight-line method to allocate depreciable amounts over their estimated useful lives. The estimated useful lives are as follows:

	<u>Useful lives</u>
Renovations and furniture and fittings	5 years
Computer and IT equipment	3 years
Office equipment	5 years

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The useful lives, residual values and depreciation method are reviewed at the end of each reporting period, and adjusted prospectively, if appropriate.

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on de-recognition of the asset is included in profit or loss in the year the asset is derecognised.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

2. Summary of significant accounting policies (Continued)

2.8 Financial instruments

Recognition and derecognition of financial instruments

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, SHC becomes party to the contractual provisions of the instrument. All other financial instruments (including regular-way purchases and sales of financial assets) are recognised and derecognised, as applicable, using trade date accounting or settlement date accounting. A financial asset is derecognised when the contractual rights to the cash flows from the financial asset expire or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the entity neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. A financial liability is removed from the statement of financial position when, and only when, it is extinguished, that is, when the obligation specified in the contract is discharged or cancelled or expires. At initial recognition the financial asset or financial liability is measured at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

(a) Financial assets

Classification and measurement of financial assets

- i. Financial asset classified as measured 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 fair value through profit or loss (FVTPL), that is (a) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Typically trade and other receivables, bank and cash balances are classified in this category.
- ii. Financial asset that is a debt asset instrument classified as measured at fair value through other comprehensive income (FVTOCI): There were no financial assets classified in this category at reporting year end date.
- iii. Financial asset that is an equity investment measured at fair value through other comprehensive income (FVTOCI): There were no financial assets classified in this category at reporting year end date.
- iv. Financial asset classified as measured at fair value through profit or loss (FVTPL): There were no financial assets classified in this category at reporting year end date.

2. Summary of significant accounting policies (Continued)

2.8 Financial instruments (Continued)

(b) Financial liabilities

Classification and measurement of financial liabilities

Financial liabilities are classified as at fair value through profit or loss (FVTPL) in either of the following circumstances: (1) the liabilities are managed, evaluated and reported internally on a fair value basis; or (2) the designation eliminates or significantly reduces an accounting mismatch that would otherwise arise. All other financial liabilities are carried at amortised cost using the effective interest method. Reclassification of any financial liability is not permitted.

2.9 Impairment of non-financial assets

SHC assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an asset is required, SHC makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recognised in profit or loss.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021**

2. Summary of significant accounting policies (Continued)

2.10 Impairment of financial assets

SHC recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that SHC expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

SHC assesses on a forward looking basis the expected credit losses associated with financial assets measured at amortised cost and debt instruments measured at fair value through other comprehensive income (FVTOCI). The impairment methodology applied depends on whether there has been a significant increase in credit risk. At each reporting date, SHC assesses whether the credit risk on a financial asset has increased significantly since initial recognition by assessing the change in the risk of a default occurring over the expected life of the financial instrument.

Where the credit risk on that financial instrument has increased significantly since initial recognition, SHC measures the loss allowance for a financial instrument at an amount equal to the lifetime ECL. Where the credit risk on that financial instrument has not increased significantly since initial recognition, SHC measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

For trade receivables, SHC applies a simplified approach in calculating ECLs. Therefore, SHC does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. SHC has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

SHC considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, SHC may also consider a financial asset to be in default when internal or external information indicates that SHC is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by SHC. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.11 Cash and cash equivalents

Cash and cash equivalents comprise deposits with financial institutions that are subject to an insignificant risk of changes in value.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

2. Summary of significant accounting policies (Continued)

2.12 Provisions

General

Provisions are recognised when SHC has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.13 Unrestricted fund

This represents fund received by SHC that is expendable for any activities within SHC at the discretion of the Council Members in the furtherance of SHC's charitable objectives.

2.14 Restricted funds

Restricted funds are utilised in accordance with the purposes for which they are established. An expense resulting from the operating activities of a fund that is directly attributable to the fund is charged to that fund. Common expense if any are allocated on a reasonable basis to the funds based on a method most suitable to that common expense.

3. Significant accounting judgement and estimates

The preparation of SHC's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

There were no significant critical accounting estimates and assumption used, or critical judgment applied.

4. Income from activities for generating funds

	<u>2021</u> Unrestricted fund \$	<u>2020</u> Unrestricted fund \$
Donations – Tax deductible	201,816	151,529
Donations – Non-tax deductible	7,156	148,432
Subscription income	5,050	4,150
	<u>214,022</u>	<u>304,111</u>

SINGAPORE HOSPICE COUNCIL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

5. Income from charitable activities

(a) Disaggregation of income from charitable activities

	2021				
	<u>Unrestricted fund</u>	<u>Restricted funds</u>			<u>Total funds</u>
		MOH community engagement and quality improvement	Community Chest charity support		
	<u>fund</u> \$	<u>fund</u> \$	<u>fund</u> \$	<u>Invictus fund</u> \$	\$
Bicentennial Community Fund	252,961	-	-	-	252,961
National Council Social Service (NCSS) grant	11,345	-	-	-	11,345
SHC silver jubilee charity show (*)					
- Non tax deductible donations	22,516	-	-	-	22,516
- Tax deductible donations	120,908	-	-	-	120,908
Temasek Trust Fund	4,097	-	-	-	4,097
MOH fund	-	991,628	-	-	991,628
Community Chest charity support fund	-	-	50,000	-	50,000
Invictus fund	-	-	-	50,000	50,000
	411,827	991,628	50,000	50,000	1,503,455

(*) SHC silver jubilee charity show was a virtual charity show held on 27 March 2021 to celebrate SHC 25th anniversary. This fund raising campaign ends on 11 April 2021.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

5. Income from charitable activities (Continued)

(a) Disaggregation of income from charitable activities (continued)

	2020			
	<u>Unrestricted fund</u>	<u>Restricted funds</u>		<u>Total funds</u>
		MOH community engagement and quality improvement	Community Chest charity support fund	
	<u>Accumulated fund</u>	<u>fund</u>	<u>fund</u>	
	\$	\$	\$	\$
Career Support Programme by Workforce Singapore	25,853	-	-	25,853
Medical student programme	162,439	-	-	162,439
MOH fund	-	1,498,224	-	1,498,224
NCSS grant	10,939	-	-	10,939
Community Chest charity support fund	-	-	50,000	50,000
	199,231	1,498,224	50,000	1,747,455

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

5. Income from charitable activities (Continued)**(b) Contract balances**

	31 March		1 April
	2021	2020	2019
	\$	\$	\$
Trade receivables (Note 12)	1,356	642	-
Contract liabilities	38,107	42,090	2,550

Contract liabilities relate to membership fees received in advance from members as well as registration fees and sponsorships received in advance from participants and sponsors for the Singapore Palliative Care Conference 2021 (SPCC). Contract liabilities are recognised as income when SHC satisfy the performance obligations under its contracts.

Set out below is the amount of income recognised from:

	2021	2020
	\$	\$
Amounts included in contract liabilities at the beginning of the year	3,000	2,550

6. Other income

	<u>2021</u>	<u>2020</u>
	Unrestricted	Unrestricted
	fund	fund
	\$	\$
Interest income	3,966	9,577
Jobs Support Scheme	152,930	-
Special Employment Credit and Wages Credit Scheme	18,143	10,470
Other income	2,355	410
	<u>177,394</u>	<u>20,457</u>

The Jobs Support Scheme ("JSS") was announced by the Government to provide wage support to employers to help retain local employees (Singapore Citizens and Permanent Residents) during the period of economic uncertainty due to COVID-19 pandemic.

SINGAPORE HOSPICE COUNCIL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

7. Cost of charitable activities

	2021				
	<u>Unrestricted fund</u>	<u>Restricted funds</u>			<u>Total funds</u>
	<u>Accumulated fund</u>	<u>MOH community engagement and quality improvement fund</u>	<u>Community Chest charity support fund</u>	<u>Invictus fund</u>	
	\$	\$	\$	\$	\$
Advertising and promotion expense	10,907	57,393	-	-	68,300
Community outreach expense	6,677	148,561	-	1,010	156,248
Donation expense	8,687	-	-	-	8,687
Hospice link MOH quality improvement	-	39,277	-	-	39,277
- conferences expenses	-	14,491	-	-	14,491
- events and training expenses	-	5,628	-	-	5,628
Professional fees	85,632	195,852	-	1,000	282,484
SHC 25 th anniversary award ceremony expenses	15,637	-	-	-	15,637
SHC silver jubilee charity show expenses					
- advertising & promotion	1,326	-	-	-	1,326
- campaign expenses	47,344	-	-	-	47,344
- printing & stationery	2,888	-	-	-	2,888
- other expenses	390	-	-	-	390
	179,488	461,202	-	2,010	642,700

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

7. Cost of charitable activities (Continued)

	2020			Total funds
	Unrestricted fund	Restricted funds		
		MOH community engagement and quality improvement fund	Community Chest charity support fund	
	\$	\$	\$	\$
Advertising and promotion expense	730	656,770	-	657,500
Community outreach expense	25,352	179,856	-	205,208
Hospice link	-	43,868	-	43,868
Medical student programme expense	150,848	-	-	150,848
MOH quality improvement				
- caregiver survey	-	5,353	-	5,353
- conferences expenses	-	23,608	-	23,608
- events and training expenses	-	68,567	-	68,567
Professional fees	-	359,603	-	359,603
	176,930	1,337,625	-	1,514,555

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

8. Governance and administrative costs

	2021				
	<u>Unrestricted fund</u>	<u>Restricted funds</u>			<u>Total funds</u>
		MOH community engagement and quality improvement	Community Chest charity support	Invictus	
	<u>fund</u>	<u>fund</u>	<u>fund</u>	<u>fund</u>	
	\$	\$	\$	\$	\$
Depreciation expense (Note 10)	4,339	3,199	1,130	154	8,822
Employee benefits expenses (Note 9)	272,044	378,181	47,061	-	697,286
IT Expenses	2,229	11,077	2,850	1,346	17,502
Office service charges	-	21,600	-	-	21,600
Printing and stationery expense	37	1,839	9	-	1,885
Professional fees	25,500	-	-	-	25,500
Other administrative expenses	14,870	4,003	222	139	19,234
	319,019	419,899	51,272	1,639	791,829

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

8. Governance and administrative costs (Continued)

	2020			
	Unrestricted fund	Restricted funds		Total funds
		MOH community engagement and quality improvement fund	Community Chest charity support fund	
	Accumulated fund			
	\$	\$	\$	\$
Accounting fee	1,100	-	-	1,100
Depreciation expense (Note 10)	3,805	3,797	659	8,261
Employee benefits expenses (Note 9)	398,191	212,624	23,384	634,199
IT Expenses	2,125	2,502	1,456	6,083
Office service charges	-	21,600	-	21,600
Printing and stationery expense	4,383	3,847	22	8,252
Professional fees	4,406	27,191	-	31,597
Small assets not capitalised	405	-	-	405
Other administrative expenses	24,797	8,253	214	33,264
	439,212	279,814	25,735	744,761

SINGAPORE HOSPICE COUNCIL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

9. Employee benefits expenses

	2021				
	<u>Unrestricted fund</u>	<u>Restricted funds</u>			<u>Total funds</u>
		MOH community engagement and quality improvement <u>fund</u>	Community Chest charity support <u>fund</u>	Invictus <u>fund</u>	
	<u>Accumulated fund</u>				
	\$	\$	\$	\$	\$
Salaries, wages and bonus	239,809	324,871	39,552	-	604,232
CPF and SDL contributions	31,266	51,497	6,820	-	89,583
Other employee benefits expense	969	1,813	689	-	3,471
	272,044	378,181	47,061	-	697,286

	2020			
	<u>Unrestricted fund</u>	<u>Restricted funds</u>		<u>Total funds</u>
		MOH community engagement and quality improvement <u>fund</u>	Community Chest charity support <u>fund</u>	
	<u>Accumulated fund</u>			
	\$	\$	\$	\$
Salaries, wages and bonus	346,141	180,802	19,687	546,630
CPF and SDL contributions	47,939	28,629	3,395	79,963
Other employee benefits expense	4,111	3,193	302	7,606
	398,191	212,624	23,384	634,199

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

10. Plant and equipment

<u>2021</u>	<u>Renovations and furniture and fittings</u> \$	<u>Computer and IT equipment</u> \$	<u>Office equipment</u> \$	<u>Total</u> \$
Cost				
At 1 April 2020	3	39,429	3,210	42,642
Additions	-	5,022	-	5,022
Disposals	-	(6,247)	(2,481)	(8,728)
At 31 March 2021	3	38,204	729	38,936
Accumulated depreciation				
At 1 April 2020	-	26,679	3,190	29,869
Charge for the year	-	8,802	20	8,822
Disposals	-	(6,247)	(2,481)	(8,728)
At 31 March 2021	-	29,234	729	29,963
Net book value				
At 31 March 2021	3	8,970	-	8,973

<u>2020</u>	<u>Renovations and furniture and fittings</u> \$	<u>Computer and IT equipment</u> \$	<u>Office equipment</u> \$	<u>Total</u> \$
Cost				
At 1 April 2019	3	33,046	3,210	36,259
Additions	-	6,383	-	6,383
At 31 March 2020	3	39,429	3,210	42,642
Accumulated depreciation				
At 1 April 2019	-	18,439	3,169	21,608
Charge for the year	-	8,240	21	8,261
At 31 March 2020	-	26,679	3,190	29,869
Net book value				
At 31 March 2019	3	12,750	20	12,773

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

10. Plant and equipment (Continued)

As at reporting date, the cost and net book value of the computer and office equipment purchased with monies from fundings obtained from various bodies are detailed as follows:

	2021	
	<u>Cost</u>	<u>Net book value</u>
	\$	\$
MOH community engagement and quality improvement fund	11,392	546
Community Chest charity support fund	3,389	1,600
Invictus Fund	1,390	1,235
Temasek Foundation Cares grief and bereavement fund	3,883	-
	<u>3,883</u>	<u>-</u>

	2020	
	<u>Cost</u>	<u>Net book value</u>
	\$	\$
MOH community engagement and quality improvement fund	11,392	3,745
Community Chest charity support fund	3,389	2,730
Temasek Foundation Cares grief and bereavement fund	3,883	-
	<u>3,883</u>	<u>-</u>

The corresponding depreciation charge has been expensed to the respective funds in the statement of financial activities.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

11. Deposits (non-refundable)

Due to the COVID-19 pandemic, the Singapore Palliative Care Conference ("SPCC") 2021 will be held fully virtual on December 2021. A non-refundable deposit of \$79,031 paid in November 2019 for the rental of venue for the SPCC 2021 has been reclassified to non-current non-refundable deposits. The non-refundable deposits will be used for the rental of venue for the next SPCC to be held in 2023.

	<u>2021</u>	<u>2020</u>
	\$	\$
Deposits (non-refundable)	<u>79,031</u>	<u>-</u>

12. Trade and other receivables

Trade and other receivables comprise the following significant categories:

	<u>2021</u>	<u>2020</u>
	\$	\$
Receivables from charitable activities		
Grants receivables	16,148	44,675
Trade Receivables – Related party (Note 5 (b))	<u>1,356</u>	<u>642</u>
	<u>17,504</u>	<u>45,317</u>
Other receivables		
Advance billing from supplier	-	55,800
Deferred expenses – SPCC 2021	2,636	14,523
Deposits (refundable)	250	250
Deposit (non-refundable) (Refer to note 11)	-	79,031
Fixed deposit interest receivables	812	1,188
Other receivables	12,500	-
Prepayments	<u>1,194</u>	<u>3,334</u>
	<u>17,392</u>	<u>154,126</u>
	<u>34,896</u>	<u>199,443</u>

Trade receivables are non-interest bearing and are generally on 30 days' terms.

There is no other class of financial assets that is past due and/or impaired except for trade receivables.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

12. Trade and other receivables (Continued)

Receivables that are past due but not impaired

SHC had trade receivables amounting to \$1,356 (2020: \$642) that were past due at the reporting date but not impaired. These receivables were unsecured and the analysis of their aging at the reporting date was as follows:

	<u>2021</u>	<u>2020</u>
	\$	\$
Trade receivables past due but not impaired		
Less than 30 days	500	-
31 – 60 days past due	-	-
61 – 90 days past due	-	-
More than 90 days	856	642
Total	<u>1,356</u>	<u>642</u>

13. Cash and cash equivalents

	<u>2021</u>	<u>2020</u>
	\$	\$
Cash and Bank balances	1,024,366	842,307
Fixed deposits	<u>832,664</u>	<u>578,531</u>
Cash and cash equivalents per statement of financial position and statement of cash flows	<u>1,857,030</u>	<u>1,420,838</u>

The fixed deposits have an average maturity of 4 (2020: 2) months from the end of the financial year. The approximate annual effective interest rates applicable for the financial year ranged from 0.05% to 0.60% (2020: 0.05% to 1.75%) for Singapore dollar fixed deposits.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

14. Trade and other payables

	<u>2021</u>	<u>2020</u>
	\$	\$
Payables for charitable activities		
Third parties	72,951	113,331
Related parties	11,770	29,598
	<u>84,721</u>	<u>142,929</u>
Other payables		
Accrued operating expenses	15,705	22,393
Deferred grant	1,264	45,851
	<u>16,969</u>	<u>68,244</u>
	<u>101,690</u>	<u>211,173</u>

15. Restricted funds

The purposes of restricted funds are as follows:

(a) MOH community engagement and quality improvement fund

The Ministry of Health ("MOH") community engagement and quality improvement fund comprises of funds for the development of palliative care sector through two programmes namely;

(i) Community Engagement Programme

The programme aims to raise awareness of end-of-life ("EOL") care among the general public and health care professionals over four years through publicity campaigns. A community engagement kit and other collaterals covering key messages on palliative care and EOL will be developed and made available to the general public and health care professionals. SHC will also work through various training avenues in healthcare institutions to weave palliative care and EOL issues into the training curriculum for healthcare professionals.

(ii) Quality Improvement Programme

The programme aims to help palliative care providers that are member organisations of SHC to achieve good palliative care outcomes, helping them to meet the requirements of the National Guidelines for Palliative Care and to develop and sustain a quality improvement culture among palliative care providers.

The programmes are for a period of 5 years from 1 April 2017 to 31 March 2022.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

15. Restricted funds (Continued)

(b) Temasek Foundation Cares grief and bereavement fund

The fund was formed to develop a community-based practice framework for grief and bereavement. The purpose of the project is to understand the experiences, attitudes and needs of bereaved persons; the availability and appropriateness of current bereavement care; to identify gaps in services and develop a community-based practice framework to provide timely bereavement support to the beneficiaries. The project is funded by Temasek Foundation Cares CLG Limited.

(c) Community Chest Charity Support Fund

The fund supports expenditure incurred for the recruitment and training of volunteers to reach out to seniors in the community. The National Council of Social Services (NCSS) funded this for a period of 2 years from 1 April 2019 to 31 March 2021. An extension of this fund has been granted for 6 months to end on 30 September 2021.

(d) Invictus Fund

The fund is set up by the NCSS and it supports SHC to enhance the on-the-go learning e-platform. The e-platform will allow healthcare workers and caregivers to acquire the appropriate knowledge and skills to facilitate the continual care. The fund is for a period of 9 months from 1 July 2020 to 31 March 2021. An extension was granted to allow continual work to produce digital content to support caregivers in self-care, preparing the physical environment, use of appropriate equipment/tools and nutrition preparation.

16. Tax exempt receipts

SHC enjoys a concessionary tax treatment whereby qualifying donors are eligible for a 250% tax deduction for the donations made to SHC. During the financial year, SHC issued tax-exempt receipts for donations collected amounting to \$322,724 (2020: \$151,529).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

17. Related party transactions

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

Transactions with member organisations and council members who are representatives of the member organisations

	<u>2021</u>	<u>2020</u>
	\$	\$
Cost of charitable activities paid	150,126	263,050
Donations received	52,047	28,310
Registration fee received for Singapore Palliative Conference 2021 ("SPCC")	-	3,500
Sponsorship received for SPCC	-	21,575
Medical student programme expenses	-	145,403
Recovery of expenses – Insurance/Refreshments	6,634	6,186
Other income received	467	-
Subscription fees received for calendar year 2021	5,000	-
Subscription fees received for calendar year 2020	800	4,000
Subscription fees received for calendar year 2019	-	600

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of SHC. The Chief Executive is considered the key management personnel.

The breakdown of the number of the key management personnel and the respective remuneration bands are as follows:

Compensation of key management personnel

	<u>2021</u>	<u>2020</u>
\$100,000 to \$200,000	1	1
Below \$100,000	-	-

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

In 2021 and 2020, members of the Council are volunteers and none received any remuneration from SHC.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

18. Reserve policy

	<u>2021</u>	<u>2020</u>
	\$	\$
Unrestricted fund	1,179,062	874,326
Ratio of reserve to annual operating expenditure	<u>2.37</u>	<u>1.42</u>

The reserves of SHC provide financial stability and the means for the development of SHC's activities. SHC intends to maintain the reserve at a level sufficient for its operating needs. SHC holds its reserves up to three year's operating expenses.

19. Financial risk management

SHC's activities expose it to a variety of financial risks from its operation. The key financial risks include credit risk and liquidity risk and market risk (such as interest rate risk). SHC has limited exposure to the above mentioned risks.

The Council Members reviews and agrees policies and procedures for the management of these risks, which are executed by the management team. It is, and has been throughout the current and previous financial year, SHC's policy that no trading in derivatives for speculative purposes shall be undertaken.

The following sections provide details regarding SHC's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

There has been no change to SHC's exposure to these financial risks or the manner in which it manages and measures the risks.

Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a loss to SHC. SHC's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including cash), SHC minimises credit risk by dealing exclusively with high credit rating counterparties.

SHC has adopted a policy of only dealing with creditworthy counterparties. SHC performs ongoing credit evaluation of its counterparties' financial condition and generally do not require a collateral.

SHC considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

At the report date, no allowance for expected credit losses is required.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

19. Financial risk management (continued)

Liquidity risk

Liquidity risk refers to the risk that SHC will encounter difficulties in meeting its short-term obligations due to shortage of funds. SHC's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. It is managed by matching the payment and receipt cycles. SHC's operations are funded mainly through donations and grants. The Council Members are satisfied that funds are available to finance the operations of SHC.

The undiscounted contractual cash flows of trade and other receivables, cash and cash equivalents and trade and other payables are equivalents to their carrying amounts and repayable within one year or on demand.

Market risk

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

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the SHC's financial instruments will fluctuate because of changes in market interest rates. The SHC's exposure to interest rate risk arises primarily from cash and cash equivalents.

At the reporting date, the interest rate profile of the SHC's interest-bearing financial instruments was:

	<u>2021</u>	<u>2020</u>
	\$	\$
<u>Fixed rate instruments</u>		
Fixed deposits	<u>832,664</u>	<u>578,531</u>

SHC does not expect any significant effect on its profit or loss arising from the effects of reasonably possible changes to interest rates on interest bearing financial instruments at the end of the financial year.

20. Fair value

The fair value of a financial instrument is the amount at which the instrument could be exchanged or settled between knowledgeable and willing parties in an arm's length transaction.

The following methods and assumptions are used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

20. Fair value (Continued)

Cash and cash equivalents, other receivables and other payables

The carrying amounts of these balances approximate their fair values due to the short-term nature of these balances.

Trade receivables and trade payables

The carrying amounts of these receivables and payables approximate their fair values as they are subject to normal trade credit terms.

21. Financial instruments by category

At the reporting date, the aggregate carrying amounts of financial assets at amortised cost as well as financial liability at amortised cost were as follows:

	<u>2021</u>	<u>2020</u>
	\$	\$
Financial assets		
<i>Financial assets at amortised cost</i>		
Trade and other receivables	34,896	199,443
Cash and cash equivalents	1,857,030	1,420,838
At end of the year	<u>1,891,926</u>	<u>1,620,281</u>
Financial liability		
<i>Financial liability at amortised cost</i>		
Trade and other payables	101,690	211,173
At end of the year	<u>101,690</u>	<u>211,173</u>

22. 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, in transactions 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 them as one of SHC's suppliers, users of services or beneficiaries. 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.

23. Authorisation of financial statements for issue

The financial statements for the financial year ended 31 March 2021 were authorised for issue in accordance with a resolution of the Council Members of SHC on 18 August 2021.