

**SINGAPORE HOSPICE COUNCIL**  
[UEN. S95SS0013E]

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

**AUDITED FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED  
31 MARCH 2018**

---

**CONTENTS**

Statement by the Council Members	2
Independent Auditor's Report	3
Statement of Financial Activities	6
Statement of Financial Position	11
Statement of Changes in Funds	12
Statement of Cash Flows	13
Notes to the Financial Statements	14

---

**Fiducia LLP**  
(UEN. T10LL0955L)  
Public Accountants and  
Chartered Accountants of Singapore

71 Ubi Crescent,  
Excalibur Centre,  
#08-01, Singapore 408571  
T: (65) 6846.8376  
F: (65) 6491.5218

---

**STATEMENT BY THE COUNCIL MEMBERS**

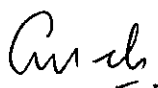
In the opinion of the Council Members, the accompanying financial statements of Singapore Hospice Council ("SHC") are drawn up so as to give a true and fair view of the state of affairs of SHC as at 31 March 2018 and of the results, changes in funds and cash flows of SHC for the year then ended.

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

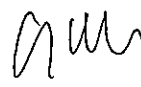
Chairman	Dr. Lee Onn Kei Angel
Vice-Chairman	Dr. Neo Soek Hui
Honorary Secretary	Dr. Chong Poh Heng (Appointed on 29 August 2017)
Honorary Treasurer	Dr. Ong Wah Ying
Ordinary Member	Ms. Lai Bew Meng
Ordinary Member	Ms. Lee Mui Pheng, Margaret (Appointed on 29 August 2017)
Ordinary Member	Ms. Choo Shiu Ling
Ordinary Member	Dr. Low Yin Yee Sharon
Ordinary Member	Mr. Albert Ching Liang Heng (Appointed on 19 December 2017)
Ordinary Member	Sr. Tan Swee Hoon Geraldine Marie
Ordinary Member	Dr. Pope Andrew Villarosa Samson (Appointed on 29 August 2017)
Special Member	Dr. Koh Lip Hoe
Special Member	A/Prof Chan Mei Yoke
Special Member	Dr. Koh Yong Hwang Mervyn
Special Member	Dr. Norhisham Main
Special Member	A/Prof James Alvin Low Yiew Hock
Co-opted Member	A/Prof Goh-Fung Cynthia Ruth
Co-opted Member	Mr. Timothy Sean Liu Chuan Tian

On behalf of the Council Members,



---

Dr. Lee Onn Kei Angel  
Chairman



---

Dr. Ong Wah Ying  
Honorary Treasurer

Singapore, 18 JUL 2018

---

## **Fiducia LLP**

Public Accountants and  
Chartered Accountants  
Singapore

71 Ubi Crescent, Excalibur Centre,  
#08-01, Singapore 408571  
T: (65) 6846.8376  
F: (65) 6491.5218

Independent auditor's report to the members of:

**SINGAPORE HOSPICE COUNCIL**  
[UEN No. S95SS0013E]

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

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

#### **Opinion**

We have audited the accompanying financial statements of Singapore Hospice Council ("SHC") which comprise the statement of financial position as at 31 March 2018, 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 2018 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the 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 information included in the Statement by the Council Members but does not include the financial statements and our auditors' 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 auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

---

## Fiducia LLP

Public Accountants and  
Chartered Accountants  
Singapore

71 Ubi Crescent, Excalibur Centre  
#08-01, Singapore 408571  
T: (65) 6846.8376  
F: (65) 6491.5218

(CONT'D)

Independent auditor's report to the members of:

**SINGAPORE HOSPICE COUNCIL**  
[UEN No. S95SS0013E]

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

### **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 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 are responsible for 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.

## Fiducia LLP

Public Accountants and  
Chartered Accountants  
Singapore

71 Ubi Crescent, Excalibur Centre  
#08-01, Singapore 408571  
T: (65) 6846.8376  
F: (65) 6491.5218

(CONT'D)

Independent auditor's report to the members of:

**SINGAPORE HOSPICE COUNCIL**  
[UEN No. S95SS0013E]

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

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

- 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.

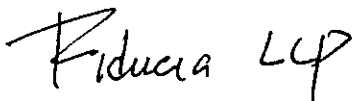
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### **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.

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, 18 JUL 2018

Partner-in-charge: Looi Chee Bin  
PAB No.: 01834

**STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018**

2018	Note	Unrestricted funds	Restricted funds			Total funds
		Accumulated fund	MOH community engagement and quality improvement fund	Temasek Foundation Cares grief and bereavement fund	NGC palliative care standards fund	
		S\$	S\$	S\$	S\$	S\$
<b>INCOME</b>						
<b>Income from generating funds</b>						
Voluntary Income						
- Donations – Tax deductible		130,971	0	0	0	130,971
- Donations – Non-tax deductible		58,759	0	0	0	58,759
- Subscription income		3,450	0	0	0	3,450
		<u>193,180</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>193,180</u>
<b>Income from charitable activities</b>						
- AIC funds - TJ003 Community outreach programme		41,490	0	0	0	41,490
- Medical student programme		172,119	0	0	0	172,119
- MOH funds – MOH community engagement and quality improvement programme		0	1,173,454	0	0	1,173,454
- National Heritage Board grant		5,000	0	0	0	5,000
- NCCSS grant		238	0	0	0	238
- Asia Pacific Hospice Conference						
- Tax deductible donations		12,300	0	0	0	12,300
- Non tax deductible donations		9,500	0	0	0	9,500
- Registration fees		879,340	0	0	0	879,340
- Sponsorship		302,437	0	0	0	302,437
- Singapore Tourism Board grant		100,000	0	0	0	100,000
- Temasek Foundation Cares grief and bereavement grant		0	0	168,751	0	168,751
		<u>1,522,424</u>	<u>1,173,454</u>	<u>168,751</u>	<u>0</u>	<u>2,864,629</u>
<b>Other income</b>						
Interest		3,237	0	0	0	3,237
Other income		14,698	0	0	0	14,698
		<u>17,935</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>17,935</u>
<b>Total income</b>		<u>1,733,539</u>	<u>1,173,454</u>	<u>168,751</u>	<u>0</u>	<u>3,075,744</u>
<b>EXPENDITURE</b>						
<b>Cost of charitable activities</b>						
Asia Pacific Hospice Conference expenses	4	917,804	0	0	0	917,804
Community outreach expenses		0	21,991	0	0	21,991
Balance carried forward		917,804	21,991	0	0	939,795

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

**STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018 (CONT'D)**

2018	Note	Unrestricted funds	Restricted funds			Total funds
		Accumulated fund	MOH community engagement and quality improvement fund	Temasek Foundation Cares grief and bereavement fund	NGC palliative care standards fund	
		S\$	S\$	S\$	S\$	S\$
<b>EXPENDITURE</b>						
<b>Cost of charitable activities (CONT'D)</b>						
Balance brought forward		917,804	21,991	0	0	939,795
Donation to Asia Pacific Hospice Palliative Care Network		135,000	0	0	0	135,000
Hospice Link		0	33,874	0	0	33,874
Medical student programme		159,695	0	0	0	159,695
Advertising and promotion		23,950	22,507	0	0	46,457
MOH quality improvement events and training		0	5,207	0	0	5,207
MOH quality improvement conferences		0	20,084	0	0	20,084
Temasek Foundation Cares grief and bereavement expenses	5	0	0	10,133	0	10,133
		<u>1,236,449</u>	<u>103,663</u>	<u>10,133</u>	<u>0</u>	<u>1,350,245</u>
<b>Governance and administrative costs</b>						
Accounting fees		16,600	0	0	0	16,600
Audit fees		8,545	0	0	0	8,545
Bank charges		4,652	0	0	0	4,652
CPF and SDL contributions		24,972	17,836	9,060	0	51,868
Depreciation	8	7,866	598	863	0	9,327
Insurance – public liability		2,452	0	0	0	2,452
IT charges		828	3,448	0	0	4,276
Plant and equipment written off		2,123	0	0	0	2,123
Small assets not capitalised		993	1,334	0	0	2,327
Office service charges		420	11,115	0	0	11,535
Postage and courier expenses		115	3,025	0	0	3,140
Printing and stationery		17,552	2,019	0	0	19,571
Professional fees		27,090	57,755	0	0	84,845
Refreshments		43	272	0	0	315
Salaries and wages		195,512	105,515	76,297	0	377,324
Staff medical expenses		610	222	294	0	1,126
Staff training		460	209	1,429	0	2,098
Staff welfare		27	0	0	0	27
Subscription fees		401	0	0	0	401
Telecommunications		663	2,510	0	0	3,173
Transport		502	424	0	0	926
Traveling expenses		3,140	0	0	0	3,140
Upkeep of office expenses		611	0	0	0	611
Balance carried forward		<u>316,177</u>	<u>206,282</u>	<u>87,943</u>	<u>0</u>	<u>610,402</u>

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

**STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018 (CONT'D)**

	Unrestricted funds	Restricted funds		NGC palliative care standards fund S\$	Total funds S\$
	Accumulated fund	MOH community engagement and quality improvement fund S\$	Temasek Foundation Cares grief and bereavement fund S\$		
<b>2018</b>					
<b>EXPENDITURE</b>	S\$	S\$	S\$	S\$	S\$
<b>Governance and administrative costs (CONT'D)</b>					
Balance brought forward	316,177	206,282	87,943	0	610,402
Utilities	0	437	0	0	437
Volunteer appreciation	5,900	0	0	0	5,900
Website maintenance expenses	108	0	0	0	108
	<u>322,185</u>	<u>206,719</u>	<u>87,943</u>	<u>0</u>	<u>616,847</u>
Total expenditure	<u>1,558,634</u>	<u>310,382</u>	<u>98,076</u>	<u>0</u>	<u>1,967,092</u>
<b>NET INCOME FOR THE YEAR</b>	<u>174,905</u>	<u>863,072</u>	<u>70,675</u>	<u>0</u>	<u>1,108,652</u>

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



**STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018 (CONT'D)**

2017 INCOME	Unrestricted fund	Restricted fund	Total funds S\$
	Accumulated fund S\$	NGPC palliative care standards fund S\$	
<b>Income from generating funds</b>			
Voluntary Income			
- Donations – Tax deductible	66,375	0	66,375
– Non-tax deductible	737	0	737
- Subscription income	4,000	0	4,000
	<u>71,112</u>	<u>0</u>	<u>71,112</u>
<b>Income from charitable activities</b>			
- AIC funds - TJ003 Community outreach programme	155,437	0	155,437
- Medical student programme	190,696	0	190,696
- National Heritage Board grant	5,000	0	5,000
- NCSS grant	6,800	0	6,800
- Asia Pacific Hospice Conference – Tax deductible donations	167,500	0	167,500
– Non Tax deductible donations	2,500	0	2,500
- Overprovision for AIC funds – TA007 Community outreach programme	(1,737)	0	(1,737)
	<u>526,196</u>	<u>0</u>	<u>526,196</u>
<b>Other income</b>			
Interest	2,871	0	2,871
Other income	10,289	0	10,289
	<u>13,160</u>	<u>0</u>	<u>13,160</u>
<b>Total income</b>	<u>610,468</u>	<u>0</u>	<u>610,468</u>
<b>EXPENDITURE</b>			
<b>Cost of charitable activities</b>			
Community outreach expenses	9,276	0	9,276
Hospice Link	36,559	0	36,559
Medical student programme	181,485	0	181,485
Palliative care standard expenses	0	4,815	4,815
	<u>227,320</u>	<u>4,815</u>	<u>232,135</u>

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

**STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018 (CONT'D)**

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

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

---

**STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2018**

	Notes	2018 S\$	2017 S\$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	6	1,879,600	586,949
Trade and other receivables	7	<u>204,847</u>	<u>624,630</u>
		2,084,447	1,211,579
<b>Non-current asset</b>			
Plant and equipment	8	<u>12,550</u>	<u>12,535</u>
<b>Total assets</b>		<u>2,096,997</u>	<u>1,224,114</u>
<b>LIABILITY</b>			
<b>Current liability</b>			
Trade and other payables	9	<u>100,355</u>	<u>336,124</u>
<b>NET ASSETS</b>		<u>1,996,642</u>	<u>887,990</u>
<b>FUNDS</b>			
<b>Unrestricted funds</b>			
Accumulated fund	10	1,029,881	854,976
<b>Restricted fund</b>			
NGPC palliative care standards fund	11	0	33,014
MOH community engagement and quality improvement fund	12	896,086	0
Temasek Foundation Cares grief and bereavement fund	13	<u>70,675</u>	<u>0</u>
<b>TOTAL FUNDS</b>		<u>1,996,642</u>	<u>887,990</u>

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

**STATEMENT OF CHANGES IN FUNDS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018**

	Balance at beginning of year S\$	Net income S\$	Transfers to / (from) funds S\$	Balance at end of year S\$
<b>2018</b>				
<b>Unrestricted funds</b>				
Accumulated fund	854,976	174,905	0	1,029,881
<b>Restricted funds</b>				
NGPC Palliative care standards fund	33,014	0	(33,014)	0
MOH community engagement and quality improvement fund	0	863,072	33,014	896,086
Temasek Foundation Cares grief and bereavement fund	0	70,675	0	70,675
	33,014	933,747	0	966,761
<b>Total funds</b>	<b>887,990</b>	<b>1,108,652</b>	<b>0</b>	<b>1,996,642</b>
	Balance at beginning of year S\$	Net income/ (expenditure) S\$	Transfers to / (from) funds S\$	Balance at end of year S\$
<b>2017</b>				
<b>Unrestricted funds</b>				
Accumulated fund	759,513	91,753	3,710	854,976
SHC-Lien Foundation Project fund	3,710	0	(3,710)	0
	763,223	91,753	0	854,976
<b>Restricted funds</b>				
NGPC Palliative care standards fund	41,339	(8,325)	0	33,014
<b>Total funds</b>	<b>804,562</b>	<b>83,428</b>	<b>0</b>	<b>887,990</b>

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

**STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018**

	Notes	2018 S\$	2017 S\$
<b>Cash flows from operating activities</b>			
Net income for the year		1,108,652	83,428
Adjustments for:			
- Depreciation of plant and equipment	8	9,327	9,978
- Interest income		(3,237)	(2,871)
- Plant and equipment written off		2,123	0
Operating cash flow before changes in working capital		<u>1,116,865</u>	<u>90,535</u>
Changes in working capital			
- Trade and other receivables		420,260	(221,264)
- Trade and other payables		(235,769)	255,025
<b>Net cash generated from operating activities</b>		<u>1,301,356</u>	<u>124,296</u>
<b>Cash flows from investing activities</b>			
Interest received		2,760	2,871
Purchase of plant and equipment	8	(11,465)	(687)
<b>Net cash (used in) / generated from investing activities</b>		<u>(8,705)</u>	<u>2,184</u>
<b>Net increase in cash and cash equivalents</b>		1,292,651	126,480
<b>Cash and cash equivalents at beginning of financial year</b>		<u>586,949</u>	<u>460,469</u>
<b>Cash and cash equivalents at end of financial year</b>	6	<u>1,879,600</u>	<u>586,949</u>

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

---

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018**

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

**1. General information**

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 2017 to 30 September 2019.

Its registered address and principal place of business is at 1 Lorong 2 Toa Payoh, Level 7, Yellow Pages Building, Singapore 319637.

The objectives of SHC are:

- (a) to coordinate and promote hospice and palliative care in Singapore;
- (b) to provide and coordinate training in hospice and palliative care;
- (c) support efforts in improving the quality of hospice and palliative care in Singapore;
- (d) undertake such activities which are incidental or conducive to the attainment of the above objects including:
  - (i) to act as the representative body for hospice and palliative care in Singapore, nationally and internationally; and
  - (ii) to promote public awareness of hospices and palliative care services in Singapore

**2. Significant accounting policies**

**2.1 Basis of preparation**

The financial statements have been prepared in accordance with Financial Reporting Standards in Singapore ("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 on or after 1 April 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:

---

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

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

#### 2.1.1 Interpretations and amendments to published standards on or after 1 April 2017 (cont'd)

<u>FRS</u>	<u>Effective date</u>	<u>Title</u>
FRS 7	1.1.2017	Statement of Cash Flows, Disclosure Initiative

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.

#### 2.1.2 Standards issued but not yet effective

SHC has not adopted the following relevant new/revised FRSs, INT FRSs and amendments to FRSs that were issued but not yet effective:

<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

Except FRS116, management believes that the adoption of the revised standards and interpretations will have no material impact on the financial statements in the period of initial application. The impending change in FRS 116 will have material impact on the financial statements as discussed below.

#### FRS 116 Leases

FRS 116 requires lessees to recognise most leases on balance sheets to reflect the rights to use the leased assets and the associated obligations for lease payments as well as the corresponding interest expense and depreciation charges. The standard includes two recognition exemption for lessees - leases of 'low value' assets and short-term leases. The new standard is effective for annual periods beginning on or after 1 January 2019. The Council Members are currently assessing the impact of the new standard and plans to adopt the new standard on the required effective date. The Company expects the adoption of the new standard will result in increase in total assets and total liabilities, EBITDA.

## 2.2 Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to SHC and the amount of revenue can be measured reliably, regardless of when the payment is being made. 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:

### 2.2.1 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.

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

**2.2 Revenue recognition (Cont'd)**

2.2.3 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.

2.2.4 Interest income

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

2.2.5 Other income

Other income is recognised when received.

**2.3. Government grants**

Government grants are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to an asset, the fair value is recognised as deferred capital grant on the statement of financial position and is amortised to statement of financial activities over the expected useful life of the relevant asset by equal annual installments.

**2.4 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.

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.

**2.5 Operating 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 the 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. Significant accounting policies (Cont'd)**

### **2.6 Employee benefits**

#### **2.6.1 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.

#### **2.6.2 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.

### **2.7 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.

### **2.8 Financial assets**

#### **2.8.1 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.

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 as "Cash and cash equivalents" and "Trade and other Receivables" on the statement of financial position.

#### **2.8.2 Recognition and derecognition**

Regular way 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 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.

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

### **2.8 Financial assets (cont'd)**

#### **2.8.4 Subsequent measurement**

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

#### **2.8.5 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 objective evidence 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 the statement of financial activities.

The allowance for impairment loss account is reduced through the 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.

### **2.9 Cash and cash equivalents**

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

### **2.10 Plant and equipment**

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

### **2.10 Plant and equipment (cont'd)**

#### **2.10.2 Depreciation**

Depreciation on 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

Fully depreciated assets are retained in SHC's records until they are no longer in use and no further depreciation and amortisation is charged to current operations.

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.

#### **2.10.3 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.

#### **2.10.4 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.

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

### **2.12 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" on the statement of financial position.

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.

### **2.13 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.

### **2.14 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.

### **2.15 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.

## **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, assumptions and judgments in applying accounting policies**

SHC makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. There are no estimates, assumptions and judgments made that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

**4. Asia Pacific Hospice Conference expenses**

	2018 S\$	2017 S\$
Marketing and promotion expenses	47,320	0
Organising committee meeting expenses	582	0
Professional conference organiser management fees	183,338	0
Venue rental expense	234,795	0
Onsite printed materials	10,376	0
Venue technical equipment expenses	92,388	0
Services	14,411	0
Participants' materials expenses	8,740	0
Speakers and committees expenses	88,166	0
Transport and shuttle expenses	2,420	0
Onsite secretariat staff expenses	14,993	0
Pre-conference secretariat expenses	2,882	0
Meal and social activities expenses	171,721	0
Other conference expenses	31,267	0
Bank and credit card fees	14,405	0
	<u>917,804</u>	<u>0</u>

**5. Temasek Foundation Cares grief and bereavement expenses**

	2018 S\$	2017 S\$
Small assets purchase expenses	1,101	0
Focus group expenses	5,960	0
Software for survey and data analysis expenses	2,825	0
Miscellaneous expenses	247	0
	<u>10,133</u>	<u>0</u>

**6. Cash and cash equivalents**

	2018 S\$	2017 S\$
Cash in bank	1,291,308	351,188
Fixed deposits	588,292	235,761
	<u>1,879,600</u>	<u>586,949</u>

Fixed deposits have terms of 1 to 3 months (2017: 1 month) and have interest rates ranging from 0.75% to 1% (2017: 0.95%).

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

**7. Trade and other receivables**

	2018 S\$	2017 S\$
Receivables from charitable activities		
- Accounts receivable	40,412	253,468
- Grants receivable	150,485	209,631
Other receivables		
- Deferred expenses - APHC	0	159,390
- Deposits	8,963	1,392
- Fixed deposit interest receivable	508	31
- Prepayments	799	718
- Other receivables – APHC	3,680	0
	<u>204,847</u>	<u>624,630</u>

"APHC" refers to Asia Pacific Hospice Conference. The conference was held from 26 to 29 July 2017. Expenses paid relating to the conference were deferred as at 31 March 2017 and recognised as expenses during the financial year.

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

**8. Plant and equipment**

<b>2018</b>	Balance at beginning of year S\$	Additions S\$	(Written off) S\$	Balance at end of year S\$
<b>Cost</b>				
Renovation & furniture & fittings	37,665	0	(37,662)	3
Computer and office equipment	13,045	11,465	0	24,510
	<u>50,710</u>	<u>11,465</u>	<u>(37,662)</u>	<u>24,513</u>
	Balance at beginning of year S\$	Depreciation charge S\$	(Written off) S\$	Balance at end of year S\$
<b>Accumulated depreciation</b>				
Renovation & furniture & fittings	29,890	5,649	(35,539)	0
Computer and office equipment	8,285	3,678	0	11,963
	<u>38,175</u>	<u>9,327</u>	<u>(35,539)</u>	<u>11,963</u>
	Balance at beginning of year S\$			Balance at end of year S\$
<b>Carrying amount</b>				
Renovations & furniture & fittings	7,775			3
Computer and office equipment	4,760			12,547
	<u>12,535</u>			<u>12,550</u>

**8. Plant and equipment (Cont'd)**

<b>2017</b>	Balance at beginning of year S\$	Additions S\$	(Disposals) S\$	Balance at end of year S\$
<b>Cost</b>				
Renovations & furniture & 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>
<b>Accumulated depreciation</b>				
	Balance at beginning of year S\$	Depreciation charge S\$	(Disposals) S\$	Balance at end of year S\$
Renovations & furniture & 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>
<b>Carrying amount</b>				
	Balance at beginning of year S\$			Balance at end of year S\$
Renovations & furniture and fittings	15,305			7,775
Computer and office equipment	6,521			4,760
	<u>21,826</u>			<u>12,535</u>

During the financial year, the cost and carrying amount of the computer and office equipment purchased with monies from the MOH community engagement and quality improvement fund and the Temasek Foundation Cares grief and bereavement fund are as follows:

	Cost S\$	Carrying amount S\$
MOH community engagement and quality improvement fund	6,005	5,407
Temasek Foundation Cares grief and bereavement fund	3,883	3,020

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

**9. Trade and other payables**

	2018	2017
	S\$	S\$
Payables for charitable activities		
- Third parties	9,236	3,967
- Related parties	66,910	35,612
Other payables		
- Accruals	7,800	7,300
- CPF payable	9,619	0
- Deferred income – APHC	0	276,958
- Deferred grant – Income	267	0
- Deferred grant – Capital asset	836	0
- Deferred income – Subscription fee	2,550	2,400
- GST liabilities	2,741	9,873
- Non-trade other creditors	396	14
	<u>100,355</u>	<u>336,124</u>

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

“APHC” refers to Asia Pacific Hospice Conference. The conference was held from 26 to 29 July 2017. Income received in advance relating to the conference was deferred as at 31 March 2017 and recognised as income during the financial year.

Trade payables are non-interest bearing and are generally on 30 days’ term (2017: 30 days).

**10. 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.

During the year 2017, Council Members had approved the transfer of the remaining amount of S\$3,710 in SHC-Lien Project Foundation fund to the accumulated fund.

**11. 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”).

During the financial year, MOH agreed for the balance of the remaining amount of \$33,014 to be transferred and redesignated to the MOH community engagement and quality improvement fund.



**12. MOH community engagement and quality improvement fund**

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

a) Community Engagement Initiative

The programme aims to raise awareness of end-of life ("EOL") care among the general public and health care professionals over three 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 via various training avenues in healthcare institutions to weave palliative care and EOL issues into the training curriculum for healthcare professionals.

b) Quality Improvement Programme

The programme aims to help palliative care providers that are member organisations of SHC achieve good palliative care outcomes, helping them 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 3 years from 1 April 2017 to 31 March 2020. During the financial year, SHC received funding amounting to S\$1,173,454 from MOH.

**13. Temasek Foundation Cares grief and bereavement fund**

The Temasek Foundation Cares grief and bereavement fund is for a programme 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.

**14. Related party transactions**

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

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

	2018 S\$	2017 S\$
<b>Income</b>		
Donation income	35,670	705
APHC registration fees and sponsorship	141,089	0
Recovery of expenses - Insurance	4,240	4,103
Subscription income	3,450	4,000

**14. Related party transactions (Cont'd)**

(a) Transactions with member organisations and council members who are representatives of the member organisations (cont'd)

	2018 S\$	2017 S\$
<b>Expenses</b>		
APHC expenses	160	0
Palliative care standard expenses	0	2,996
Professional fees	69,381	0
Refreshments	235	111
Salaries and wages	<u>8,484</u>	<u>0</u>

Balances with related parties as at the reporting date are set out in Note 9.

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

	2018 S\$	2017 S\$
Short-term benefits – Salaries and other benefits	113,878	100,583
Post-employment benefits - Contributions to CPF	<u>15,303</u>	<u>13,815</u>
	<u>129,181</u>	<u>114,398</u>
	No. of key management personnel	No. of key management personnel
Remuneration band		
Above S\$100,000	1	1
Below S\$100,000	<u>0</u>	<u>0</u>

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

In 2018 and 2017, members of the Council were volunteers and none received any remuneration from SHC.

**15. Operating lease commitments**

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

	2018 S\$	2017 S\$
Not later than one year	21,600	5,357
Later than one year but not more than five years	<u>39,600</u>	<u>0</u>
	<u>61,200</u>	<u>5,357</u>

The above operating lease commitments are based on known office service charge rates as at the date of this report and do not include any revision in rates which may be determined by the lessor.

**16. 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.

**17. Financial risk management**

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

**17.1 Liquidity risk**

Liquidity risk is the risk that SHC will encounter difficulty in meeting its financial obligations due to shortage of funds. SHC's 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>2018</b>			
<b>Financial assets</b>			
Cash and cash equivalents	1,879,600	0	1,879,600
Trade and other receivables, excluding prepayment	204,048	0	204,048
	<u>2,083,648</u>	<u>0</u>	<u>2,083,648</u>
<b>Financial liabilities</b>			
Trade and other payables, excluding deferred income and GST	(93,961)	0	(93,961)
	<u>1,989,687</u>	<u>0</u>	<u>1,989,687</u>
	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, excluding prepayment	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, excluding deferred income and GST	(46,893)	0	(46,893)
	<u>1,004,578</u>	<u>0</u>	<u>1,004,578</u>

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

### 17.2 Credit risk

Credit risk is the potential financial loss resulting from the customer defaulting on his contractual obligations to SHC. The credit risk of liquid funds is limited because the counterparty is a bank with high credit rating assigned by international credit agencies. SHC has 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.

### 17.3 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of SHC's financial instruments will fluctuate because of changes in market interest rates.

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.

### 17.4 Fair value

As at 31 March 2018, 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.

## 18. Reserve position and policy

SHC's reserve position for financial years ended 31 March 2018 and 31 March 2017 are as follows:

		2018	2017	Increase / (Decrease)
		S\$'000	S\$'000	%
A	Unrestricted funds			
	Accumulated general funds	1,030	855	20
	Unrestricted designated fund	0	0	N/A
B	Restricted fund	967	33	2,830
C	Endowment funds	N/A	N/A	N/A
D	Total funds	1,997	888	125
E	Total annual operating expenditure	1,559	519	200
F	Ratio of funds to annual operating expenditure (A/E)	0.66	1.65	

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 years' operational expenses.

**19. Authorisation of financial statements**

These financial statements were authorised for issue in accordance with a resolution of the Council Members of SHC on **18 JUL 2018**