

Company Registration No: 199205095C
Charity Registration No: 1036
IPC No: HEF0004/G

ST LUKE'S HOSPITAL
(Incorporated in Singapore)
AND ITS SUBSIDIARY

DIRECTORS' STATEMENT
AND FINANCIAL STATEMENTS

31 MARCH 2019

**ST LUKE'S HOSPITAL AND ITS SUBSIDIARY
(Incorporated in Singapore)**

31 MARCH 2019

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**ST LUKE'S HOSPITAL AND ITS SUBSIDIARY
(Incorporated in Singapore)**

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

The directors are pleased to present their report to the members together with the audited financial statements of St Luke's Hospital (the "Company") and its subsidiary (hereinafter collectively referred the "Group") for the financial year ended 31 March 2019.

In the opinion of the directors;

- (a) the financial statements of the Group and of the Company are drawn up so as to give a true and fair view of the state of affairs of the Group and the Company as at 31 March 2019, and of the results and cash flows of the Group and of the Company for the financial year then ended; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

1 Directors

The directors in office at the date of this statement are:

Peng Chung Mien	Chairman
Chew Chin Tiong Ernest	Vice-Chairman
Jeyaraj Indra Raj	Honorary Secretary
Ho Yew Kee	Honorary Treasurer
Choo Eng Beng	
Chua Song Khim	
Foong Daw Ching	(Appointed on 25 June 2018)
Kok Hei Mun Jonathan	(Appointed on 15 May 2019)
Khoo Teng Cheong	
Lum Kah Leong Jeffrey	
Tan Wan Joo	
Tan Wee King	

2 Directors' Interest in Shares, Debentures, Dividends and Share Options

The Company is limited by guarantee and does not have a share capital. All matters relating to the issue of shares, debentures, dividends and share options are thus not applicable.

3 Conflict of Interest

Statement of Purpose and Authority

Pursuant to the Code of Governance for Charities and Institutions of a Public Character (IPCs), the Board has established a policy on the avoidance of conflict of interest for the Group and the Company.

ST LUKE'S HOSPITAL AND ITS SUBSIDIARY
(Incorporated in Singapore)

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

3 Conflict of Interest (cont'd)

Statement of Purpose and Authority (cont'd)

The Group's and the Company's basic policy on avoidance of conflict of interest rests on three premises:

- a. Understanding what is a 'Conflict of Interest';
- b. Declaration of Conflict of Interest; and
- c. Abstention from decision making where Conflict of Interest has been declared or exists.

Definition of 'Conflict of Interest'

An operational definition of conflict of interest is when an individual is aware of "any interest in a transaction or arrangement that will affect his/her professional judgment to obtain the best value for the Group or the Company or to protect the interests of the Group or of the Company."

Some of the more obvious conflicts of interest relate to:

- Procurement of goods or services (Contract with vendors);
- Hiring and personnel management pertaining to a close relationship with current board/committee members or decision makers;
- Provision of services or subsidies;
- Vested interest in other organisations that have dealings/relationships with the Group or the Company;
- Interest in joint ventures; and
- Major donors or representatives from major donors.

All key staff and directors must acknowledge that they understand the definition of 'Conflict of Interests' as above and they acknowledge that they will subscribe to the 'Avoidance of Conflict of Interest Policy' of the Group and of the Company. This includes a declaration whenever there is a conflict or potential conflict and the individual will abstain from all decisions regarding that conflict of interest.

At the beginning of each financial year, the acknowledgement of the 'Conflict of Interest' notice is served to individuals and the 'Declaration of Conflict of Interest' notice at the end of each financial year. Members must declare the existence of a conflict of interest as soon as the individual becomes aware of the situation. To aid the members in discharging their responsibility in relation to the existence of a possible conflict of interest, members are required to declare their membership or significant involvement or interests in organisations that may pose a possible conflict of interest to the Group and the Company.

Abstention from Decision Making

Once an individual is aware of the existence of a conflict of interest, he/she must abstain from the decision making process pertaining to the possible conflict of interest. This means the individual should not influence the decision process. This does not necessarily prevent the individual from providing relevant and expert knowledge on the issue or participate in the discussion but he/she should only do so with wisdom so as not to influence the decision.

**ST LUKE'S HOSPITAL AND ITS SUBSIDIARY
(Incorporated in Singapore)**

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

4 Reserve Policy


The principal activity of the Group and of the Company is to establish, carry on and maintain a hospital for the community including the elderly.

Pursuant to the Code of Governance for Charities and IPCs Guideline 6.4.1, the Board has established a reserve policy ("Reserve Policy") for the Group and the Company. In setting the Reserve Policy, the Board feels that it is more reasonable to use net liquid assets available to meet expenditure obligations as a reserve measurement instead of unrestricted funds as some of these unrestricted funds may not represent cash or cash equivalent or liquid assets which can be used to meet its expenditure obligations. Net liquid assets (unrestricted) available to meet expenditure obligations (unrestricted) is calculated as total of investment in financial assets (unrestricted), trade and other receivables (unrestricted), cash and cash equivalents (unrestricted) less accounts payable (unrestricted). The reserves of the Group and of the Company provide financial stability and the means for the development of their operations and activities. The Group and the Company intend to maintain the reserves at a level sufficient for its operating needs and the Board regularly reviews the amount of reserves that are required to ensure that they are adequate to fulfill its continuing obligations. There are no changes to the reserve policy during the financial years ended 31 March 2019 and 2018.

5 External Auditors

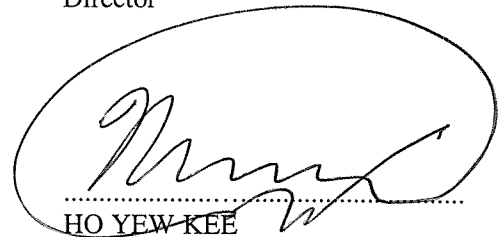
The auditors, Moore Stephens LLP, have expressed their willingness to accept reappointment.

On behalf of the Board of Directors



PENG CHUNG MIEN

Director



HO YEW KEE

Director

Singapore
22 July 2019

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

**ST LUKE'S HOSPITAL
(Incorporated in Singapore)**

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of St Luke's Hospital (the "Company") and its subsidiary (the "Group"), which comprise the balance sheets of the Group and of the Company as at 31 March 2019, the statement of financial activities and the statement of cash flows of the Group and of the Company 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 Companies Act, Chapter 50 (the Companies Act), the Charities Act, Chapter 37 and other relevant regulations (the Charities Act and Regulations) and Charities Accounting Standard (CAS) so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2019 and of the financial performance, changes in the funds and cash flows of the Group and of the Company 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 the Company 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.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the Directors' Statement.

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 on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

**ST LUKE'S HOSPITAL
(Incorporated in Singapore)**

(cont'd)

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

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Companies Act, the Charities Act and Regulations and CAS, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group and the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance comprises the directors and their governing board. Their responsibilities include overseeing the Group's and the Company's financial reporting process.

Auditor's Responsibility 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 the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

**ST LUKE'S HOSPITAL
(Incorporated in Singapore)**

(cont'd)

Auditor's Responsibility 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 the Group's and the Company'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 the Group and the Company 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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 the Company have been properly kept in accordance with the provisions of the Companies Act, and 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) the Company has not used the donation moneys in accordance with its objectives as required under Regulation 11 of the Charities (Institutions of a Public Character) Regulations; and
- (b) the Company has not complied with the requirements of Regulation 15 of the Charities (Institutions of a Public Character) Regulations.

Moore Stephens LLP

Moore Stephens LLP
Public Accountants and
Chartered Accountants

Singapore
22 July 2019

ST LUKE'S HOSPITAL AND ITS SUBSIDIARY
(Incorporated in Singapore)

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

Group and Company					
<u>1 April 2018 to 31 March 2019</u>					
	<u>Note</u>	<u>Unrestricted</u> <u>Funds</u> S\$	<u>Restricted</u> <u>Funds</u> S\$	<u>Total</u> <u>2019</u> S\$	<u>Total</u> <u>2018</u> S\$
INCOME					
Income from generated funds:					
Voluntary income	4	3,178,362	4,971,545	8,149,907	15,150,089
Activities for generating funds	5	1,280,062	-	1,280,062	1,581,062
Investment income	6	423,112	4,633	427,745	599,237
Income from charitable activities	7	39,101,199	-	39,101,199	31,644,093
Other income	8	1,924,322	49,752	1,974,074	1,614,679
Total income		45,907,057	5,025,930	50,932,987	50,589,160
EXPENDITURES					
Costs of generating funds:					
Voluntary income	9	295,313	-	295,313	266,970
Fundraising activities	9	134,746	-	134,746	161,767
Charitable activities	10	42,313,323	2,180,071	44,493,394	41,999,117
Governance costs	11	1,040,654	-	1,040,654	946,573
Other expenditure	11	323,797	-	323,797	199,538
Total expenditures		44,107,833	2,180,071	46,287,904	43,573,965
Net income before tax expense	12	1,799,224	2,845,859	4,645,083	7,015,195
Tax expense	14	-	-	-	-
Net income		1,799,224	2,845,859	4,645,083	7,015,195
Gross transfers between funds					
Gross transfers (to) funds		(7,630,000)	(3,270,001)	(10,900,001)	(1,098,762)
Gross transfers from funds		8,717,878	2,182,123	10,900,001	1,098,762
	21, 22	1,087,878	(1,087,878)	-	-
Net income after funds transfer		2,887,102	1,757,981	4,645,083	7,015,195
Reconciliation of funds					
Total funds brought forward		33,917,031	26,583,104	60,500,135	55,773,576
Amortisation expenses net of depreciation of property, plant and equipment credited to charitable activities	16	-	(3,108,222)	(3,108,222)	(2,288,636)
Total funds carried forward		36,804,133	25,232,863	62,036,996	60,500,135

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

ST LUKE'S HOSPITAL AND ITS SUBSIDIARY
(Incorporated in Singapore)

BALANCE SHEETS

AS AT 31 MARCH 2019

	<u>Note</u>	<u>Group</u>		<u>Company</u>	
		<u>2019</u> S\$	<u>2018</u> S\$	<u>2019</u> S\$	<u>2018</u> S\$
Non-Current Assets					
Property, plant and equipment	16	29,579,801	33,372,700	29,579,801	33,372,700
Investments in financial assets	17	5,175,665	5,476,405	5,175,665	5,476,405
		<u>34,755,466</u>	<u>38,849,105</u>	<u>34,755,466</u>	<u>38,849,105</u>
Current Assets					
Inventories, at cost		135,883	125,878	135,883	125,878
Trade and other receivables	18	10,673,205	14,692,545	10,683,305	14,692,545
Cash and cash equivalents	19	24,229,655	15,224,546	24,219,555	15,224,546
		<u>35,038,743</u>	<u>30,042,969</u>	<u>35,038,743</u>	<u>30,042,969</u>
Current Liabilities					
Trade and other payables	20	7,757,213	8,391,939	7,757,213	8,391,939
Net Current Assets		<u>27,281,530</u>	<u>21,651,030</u>	<u>27,281,530</u>	<u>21,651,030</u>
Total Assets Less Total Liabilities		<u>62,036,996</u>	<u>60,500,135</u>	<u>62,036,996</u>	<u>60,500,135</u>
Funds of Charity					
<u>Unrestricted Funds</u>					
Unrestricted income funds	21	28,801,674	33,549,146	28,801,674	33,549,146
Designated funds	21	8,002,459	367,885	8,002,459	367,885
		<u>36,804,133</u>	<u>33,917,031</u>	<u>36,804,133</u>	<u>33,917,031</u>
<u>Restricted Funds</u>					
Restricted income funds	22	25,232,863	26,583,104	25,232,863	26,583,104
Total Charity Funds		<u>62,036,996</u>	<u>60,500,135</u>	<u>62,036,996</u>	<u>60,500,135</u>

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

ST LUKE'S HOSPITAL AND ITS SUBSIDIARY
(Incorporated in Singapore)

STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

	<u>Note</u>	Group 2019 S\$	Company 2019 S\$	Group and Company 2018 S\$
Cash Flows from Operating Activities				
Net income before tax expense		4,645,083	4,645,083	7,015,195
Adjustments for:				
Depreciation of property, plant and equipment	16	5,001,796	5,001,796	4,085,872
Interest income		(196,319)	(196,319)	(84,562)
Dividend income	6	(153,288)	(153,288)	(169,707)
Amortisation of building fund	16	(464,490)	(464,490)	(464,490)
Amortisation of building expansion fund	16	(1,799,849)	(1,799,849)	(1,443,921)
Amortisation of Community Silver Trust capital grant	16	(843,883)	(843,883)	(380,225)
Gain on disposal of property, plant and equipment		(1,607)	(1,607)	-
Gain on disposal of investments in financial assets		(42,469)	(42,469)	(287,267)
Reversal of impairment loss on investments in financial assets	6	(26,462)	(26,462)	(57,825)
Impairment loss on investments in financial assets	17	323,797	323,797	199,538
Provision for doubtful debts	12	30,218	30,218	4,692
Write back of provision for doubtful debts	12	(3,038)	(3,038)	(3,580)
Funds received/receivable for building expansion fund	4	(1,035,689)	(1,035,689)	(3,251,513)
Operating cash flows before changes in working capital		5,433,800	5,433,800	5,162,207
Inventories		(10,005)	(10,005)	13,867
Trade and other receivables		2,385,761	2,385,761	(275,097)
Trade and other payables		(634,726)	(634,726)	1,623
Net cash flows from operating activities		7,174,830	7,174,830	4,902,600
Cash Flows from Investing Activities				
Acquisition of investments in financial assets	17	(351,675)	(351,675)	(1,357,191)
Acquisition of property, plant and equipment	16	(1,218,797)	(1,218,797)	(5,726,846)
Proceeds from disposal of investments in financial assets		397,549	397,549	663,212
Proceeds from disposal of property, plant and equipment		11,507	11,507	-
Interest received		185,726	185,726	83,581
Dividend received	6	153,288	153,288	169,707
Amount due from subsidiary		-	(10,100)	-
Net cash flows used in investing activities		(822,042)	(832,502)	(6,167,537)
Cash Flows from Financing Activities				
Funds received for building expansion fund		2,652,681	2,652,681	1,634,521
Net cash flows from financing activities		2,652,681	2,652,681	1,634,521
Net increase in cash and cash equivalents		9,005,109	8,995,009	369,584
Cash and cash equivalents at the beginning of the year		15,224,546	15,224,546	14,854,962
Cash and cash equivalents at the end of the year	19	24,229,655	24,219,555	15,224,546

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

ST LUKE'S HOSPITAL AND ITS SUBSIDIARY
(Incorporated in Singapore)

STATEMENT OF FINANCIAL ACTIVITIES - SUPPLEMENTARY SCHEDULES
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

	Note	Unrestricted Funds				Restricted Funds				Group and Company			
		Unrestricted income fund S\$	New project fund S\$	Asset replacement fund S\$	Sub-total S\$	Building fund - General S\$	Building expansion fund S\$	Community Silver Trust fund S\$	Community Silver Trust capital grant S\$	Other funds S\$	Sub-total S\$	Total 2019 S\$	Total 2018 S\$
INCOME													
Income from generated funds:													
Voluntary income	4	3,178,362	-	-	3,178,362	-	1,035,689	2,719,695	-	1,216,161	4,971,545	8,149,907	15,150,089
Activities for generating funds	5	1,280,062	-	-	1,280,062	-	-	-	-	-	-	1,280,062	1,581,062
Investment income	6	418,538	-	4,574	423,112	-	-	134	-	4,499	4,633	427,745	599,237
Income from charitable activities	7	39,101,199	-	-	39,101,199	-	-	-	-	-	-	39,101,199	31,644,093
Other income	8	1,924,322	-	-	1,924,322	-	-	-	-	49,752	49,752	1,974,074	1,614,679
Total income		45,902,483	-	4,574	45,907,057	-	1,035,689	2,719,829	-	1,270,412	5,025,930	50,932,987	50,589,160
EXPENDITURES													
Costs of generating funds:													
Voluntary income	9	295,313	-	-	295,313	-	-	-	-	-	-	295,313	266,970
Fundraising activities	9	134,746	-	-	134,746	-	-	-	-	-	-	134,746	161,767
Charitable activities	10	42,313,323	-	-	42,313,323	-	-	820,427	-	1,359,644	2,180,071	44,493,394	41,999,117
Governance costs	11	1,040,654	-	-	1,040,654	-	-	-	-	-	-	1,040,654	946,573
Other expenditure	11	323,797	-	-	323,797	-	-	-	-	-	-	323,797	199,538
Total expenditures		44,107,833	-	-	44,107,833	-	-	820,427	-	1,359,644	2,180,071	46,287,904	43,573,965
Net income/(expenditure) before tax expense	12	1,794,650	-	4,574	1,799,224	-	1,035,689	1,899,402	-	(89,232)	2,845,859	4,645,083	7,015,195
Tax expense	14	-	-	-	-	-	-	-	-	-	-	-	-
Net income/(expenditure)		1,794,650	-	4,574	1,799,224	-	1,035,689	1,899,402	-	(89,232)	2,845,859	4,645,083	7,015,195
Gross transfers between funds													
Gross transfers (to) funds		(7,630,000)	-	-	(7,630,000)	-	-	(3,270,001)	-	-	(3,270,001)	(10,900,001)	(9,970,974)
Gross transfers from funds		1,087,878	2,000,000	5,630,000	8,717,878	-	-	-	2,182,123	-	2,182,123	10,900,001	9,970,974
		(6,542,122)	2,000,000	5,630,000	1,087,878	-	-	(3,270,001)	2,182,123	-	(1,087,878)	-	-
Net income/(expenditure) after funds transfer		(4,747,472)	2,000,000	5,634,574	2,887,102	-	1,035,689	(1,370,599)	2,182,123	(89,232)	1,757,981	4,645,083	7,015,195

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

ST LUKE'S HOSPITAL AND ITS SUBSIDIARY
(Incorporated in Singapore)

STATEMENT OF FINANCIAL ACTIVITIES - SUPPLEMENTARY SCHEDULES

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

(cont' d)

	← Unrestricted Funds →				← Restricted Funds →				Group and Company			
	Unrestricted income fund S\$	New project fund S\$	Asset replacement fund S\$	Sub-total S\$	Building fund - General S\$	Building expansion fund S\$	Community Silver Trust fund S\$	Community Silver Trust capital grant S\$	Other funds S\$	Sub-total S\$	Total 2019 S\$	Total 2018 S\$
Total funds brought forward	33,549,146	-	367,885	33,917,031	3,669,881	12,125,914	5,967,696	3,457,658	1,361,955	26,583,104	60,500,135	55,773,576
Amortisation expenses net of depreciation of property, plant and equipment credited to charitable activities	-	-	-	-	(464,490)	(1,799,849)	-	(843,883)	-	(3,108,222)	(3,108,222)	(2,288,636)
Total funds carried forward	28,801,674	2,000,000	6,002,459	36,804,133	3,205,391	11,361,754	4,597,097	4,795,898	1,272,723	25,232,863	62,036,996	60,500,135

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

ST LUKE'S HOSPITAL AND ITS SUBSIDIARY
(Incorporated in Singapore)

STATEMENT OF FINANCIAL ACTIVITIES - SUPPLEMENTARY SCHEDULES

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

(cont'd)

	Note	Unrestricted Funds					Restricted Funds			Group and Company Total 2018 S\$			
		Unrestricted income fund S\$	New project fund S\$	Asset replacement fund S\$	Scholarship fund S\$	Sub-total S\$	Building fund - General S\$	Building expansion fund S\$	Community Silver Trust fund S\$		Community Silver Trust capital grant S\$	Other funds S\$	Sub-total S\$
INCOME													
Income from generated funds:													
Voluntary income	4	8,178,839	-	-	-	8,178,839	-	3,251,513	2,800,156	-	919,581	6,971,250	15,150,089
Activities for generating funds	5	1,581,062	-	-	-	1,581,062	-	-	-	-	-	-	1,581,062
Investment income	6	579,183	-	14,687	2,513	596,383	-	-	124	-	2,730	2,854	599,237
Income from charitable activities	7	31,644,093	-	-	-	31,644,093	-	-	-	-	-	-	31,644,093
Other income	8	1,614,174	-	-	-	1,614,174	-	-	-	-	505	505	1,614,679
Total income		43,597,351	-	14,687	2,513	43,614,551	-	3,251,513	2,800,280	-	922,816	6,974,609	50,589,160
EXPENDITURES													
Costs of generating funds:													
Voluntary income	9	266,970	-	-	-	266,970	-	-	-	-	-	-	266,970
Fundraising activities	9	161,767	-	-	-	161,767	-	-	-	-	-	-	161,767
Charitable activities	10	39,986,456	-	-	-	39,986,456	-	-	814,599	-	1,198,062	2,012,661	41,999,117
Governance costs	11	946,573	-	-	-	946,573	-	-	-	-	-	-	946,573
Other expenditure	11	199,538	-	-	-	199,538	-	-	-	-	-	-	199,538
Total expenditures		41,561,304	-	-	-	41,561,304	-	-	814,599	-	1,198,062	2,012,661	43,573,965
Net income/(expenditure) before tax expense	12	2,036,047	-	14,687	2,513	2,053,247	-	3,251,513	1,985,681	-	(275,246)	4,961,948	7,015,195
Tax expense	14	-	-	-	-	-	-	-	-	-	-	-	-
Net income/(expenditure)		2,036,047	-	14,687	2,513	2,053,247	-	3,251,513	1,985,681	-	(275,246)	4,961,948	7,015,195
Gross transfers between funds													
Gross transfers (to) funds		-	(7,000,000)	(1,073,900)	(266,119)	(8,340,019)	-	-	(1,630,955)	-	-	(1,630,955)	(9,970,974)
Gross transfers from funds		9,438,781	-	-	-	9,438,781	-	-	-	532,193	-	532,193	9,970,974
		9,438,781	(7,000,000)	(1,073,900)	(266,119)	1,098,762	-	-	(1,630,955)	532,193	-	(1,098,762)	-
Net income/(expenditure) after funds transfer		11,474,828	(7,000,000)	(1,059,213)	(263,606)	3,152,009	-	3,251,513	354,726	532,193	(275,246)	3,863,186	7,015,195

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

ST LUKE'S HOSPITAL AND ITS SUBSIDIARY
(Incorporated in Singapore)

STATEMENT OF FINANCIAL ACTIVITIES - SUPPLEMENTARY SCHEDULES

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

(cont' d)

	Unrestricted Funds					Restricted Funds			Group and Company			
	Unrestricted income fund S\$	New project fund S\$	Asset replacement fund S\$	Scholarship fund S\$	Sub-total S\$	Building fund - General S\$	Building expansion fund S\$	Community Silver Trust fund S\$	Community Silver Trust capital grant S\$	Other funds S\$	Sub-total S\$	Total 2018 S\$
1 April 2017 to 31 March 2018 (cont' d)												
Reconciliation of funds												
Total funds brought forward	22,074,318	7,000,000	1,427,098	263,606	30,765,022	4,134,371	10,318,322	5,612,970	3,305,690	1,637,201	25,008,554	55,773,576
Amortisation expenses net of depreciation of property, plant and equipment credited to charitable activities	-	-	-	-	-	(464,490)	(1,443,921)	-	(380,225)	-	(2,288,636)	(2,288,636)
Total funds carried forward	33,549,146	-	367,885	-	33,917,031	3,669,881	12,125,914	5,967,696	3,457,658	1,361,955	26,583,104	60,500,135

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

ST LUKE'S HOSPITAL AND ITS SUBSIDIARY
(Incorporated in Singapore)

BALANCE SHEET - SUPPLEMENTARY SCHEDULES AS AT 31 MARCH 2019

2019 Group	Unrestricted Funds				Restricted Funds				Total S\$	
	Unrestricted income fund S\$	New project fund S\$	Asset replacement fund S\$	Sub-total S\$	Building fund - General S\$	Building expansion fund S\$	Community Silver Trust fund S\$	Community Silver Trust capital grant S\$		Other funds S\$
Non-Current Assets										
Property, plant and equipment	10,216,758	-	-	10,216,758	3,205,391	11,361,754	-	4,795,898	-	19,363,043
Investments in financial assets	5,175,665	-	-	5,175,665	-	-	-	-	-	5,175,665
	15,392,423	-	-	15,392,423	3,205,391	11,361,754	-	4,795,898	-	19,363,043
Current Assets										
Inventories, at cost	135,883	-	-	135,883	-	-	-	-	-	135,883
Trade and other receivables	5,116,766	-	-	5,116,766	-	-	5,555,351	-	1,088	5,556,439
Cash and cash equivalents	15,714,005	2,000,000	6,002,459	23,716,464	-	-	(958,254)	-	1,471,445	513,191
	20,966,654	2,000,000	6,002,459	28,969,113	-	-	4,597,097	-	1,472,533	6,069,630
Current Liabilities										
Trade and other payables	7,557,403	-	-	7,557,403	-	-	-	-	199,810	199,810
	7,557,403	-	-	7,557,403	-	-	-	-	199,810	199,810
Net Current Assets	13,409,251	2,000,000	6,002,459	21,411,710	-	-	4,597,097	-	1,272,723	5,869,820
Total Assets Less Total Liabilities	28,801,674	2,000,000	6,002,459	36,804,133	3,205,391	11,361,754	4,597,097	4,795,898	1,272,723	25,232,863
										62,036,996

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

ST LUKE'S HOSPITAL AND ITS SUBSIDIARY
(Incorporated in Singapore)

BALANCE SHEET - SUPPLEMENTARY SCHEDULES AS AT 31 MARCH 2019

(cont'd)

2019 Company	Unrestricted Funds				Restricted Funds				Total S\$	
	Unrestricted income fund S\$	New project fund S\$	Asset replacement fund S\$	Sub-total S\$	Building fund - General S\$	Building expansion fund S\$	Community Silver Trust fund S\$	Community Silver Trust capital grant S\$		Other funds S\$
Non-Current Assets										
Property, plant and equipment	10,216,758	-	-	10,216,758	3,205,391	11,361,754	-	4,795,898	-	19,363,043
Investments in financial assets	5,175,665	-	-	5,175,665	-	-	-	-	-	-
	15,392,423	-	-	15,392,423	3,205,391	11,361,754	-	4,795,898	-	19,363,043
Current Assets										
Inventories, at cost	135,883	-	-	135,883	-	-	-	-	-	-
Trade and other receivables	5,126,866	-	-	5,126,866	-	-	5,555,351	-	1,088	5,556,439
Cash and cash equivalents	15,703,905	2,000,000	6,002,459	23,706,364	-	-	(958,254)	-	1,471,445	513,191
	20,966,654	2,000,000	6,002,459	28,969,113	-	-	4,597,097	-	1,472,533	6,069,630
Current Liabilities										
Trade and other payables	7,557,403	-	-	7,557,403	-	-	-	-	199,810	199,810
	7,557,403	-	-	7,557,403	-	-	-	-	199,810	199,810
Net Current Assets	13,409,251	2,000,000	6,002,459	21,411,710	-	-	4,597,097	-	1,272,723	5,869,820
Total Assets Less Total Liabilities	28,801,674	2,000,000	6,002,459	36,804,133	3,205,391	11,361,754	4,597,097	4,795,898	1,272,723	25,232,863
										62,036,996

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

ST LUKE'S HOSPITAL AND ITS SUBSIDIARY
(Incorporated in Singapore)

BALANCE SHEET - SUPPLEMENTARY SCHEDULES AS AT 31 MARCH 2019

(cont'd)

2018 Group and Company	Unrestricted Funds					Restricted Funds					Total S\$	
	Unrestricted income fund S\$	New project fund S\$	Asset replacement fund S\$	Scholarship fund S\$	Sub-total S\$	Building fund - General S\$	Building expansion fund S\$	Community Silver Trust fund S\$	Community Silver Trust capital grant S\$	Other funds S\$		Sub-total S\$
Non-Current Assets												
Property, plant and equipment	14,119,247	-	-	-	14,119,247	3,669,881	12,125,914	-	3,457,658	-	19,253,453	33,372,700
Investments in financial assets	5,476,405	-	-	-	5,476,405	-	-	-	-	-	-	5,476,405
	19,595,652	-	-	-	19,595,652	3,669,881	12,125,914	-	3,457,658	-	19,253,453	38,849,105
Current Assets												
Inventories, at cost	125,878	-	-	-	125,878	-	-	-	-	-	-	125,878
Trade and other receivables	7,187,565	-	45	-	7,187,610	-	1,616,992	5,886,883	-	1,060	7,504,935	14,692,545
Cash and cash equivalents	14,891,831	-	367,840	-	15,259,671	-	(1,616,992)	80,813	-	1,501,054	(35,125)	15,224,546
	22,205,274	-	367,885	-	22,573,159	-	-	5,967,696	-	1,502,114	7,469,810	30,042,969
Current Liabilities												
Trade and other payables	8,251,780	-	-	-	8,251,780	-	-	-	-	140,159	140,159	8,391,939
	8,251,780	-	-	-	8,251,780	-	-	-	-	140,159	140,159	8,391,939
Net Current Assets	13,953,494	-	367,885	-	14,321,379	-	-	5,967,696	-	1,361,955	7,329,651	21,651,030
Total Assets Less Total Liabilities	33,549,146	-	367,885	-	33,917,031	3,669,881	12,125,914	5,967,696	3,457,658	1,361,955	26,583,104	60,500,135

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

ST LUKE'S HOSPITAL AND ITS SUBSIDIARY
(Incorporated in Singapore)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

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

1 General Information

St Luke's Hospital (the "Company") is a public company limited by guarantee, and incorporated and domiciled in Singapore. The Company's registered office and principal place of business is 2 Bukit Batok Street 11, Singapore 659674.

The principal activity of the Company is to establish, carry on and maintain a hospital for the community including the elderly. The principal activity of the subsidiary St Luke's Outpatient Services Ltd is to provide outpatient care and related medical services. There were no significant changes in the Group's and the Company's principal activities during the financial year.

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of the Company ("the Board") on the date of the Directors' Statement.

2 Significant Accounting Policies

(a) Basis of Preparation

The financial statements, which are expressed in Singapore dollars, have been prepared in accordance with the provisions of the Companies Act, Chapter 50 (the Companies Act), the Charities Act, Chapter 37 and other relevant regulations (the Charities Act and Regulations) and Charities Accounting Standards (CAS). The accounting policies of the Group are consistent with the requirements of the CAS and are applied consistently to similar transactions, other events and conditions. The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with CAS requires management to exercise its judgment in the process of applying the Group's and the Company's accounting policies. It also requires the use of accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and contingent liabilities at the balance sheet date, and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates. The areas involving a higher degree of judgment or complexity are disclosed in Note 3.

**ST LUKE'S HOSPITAL AND ITS SUBSIDIARY
(Incorporated in Singapore)**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

2 Significant Accounting Policies (cont'd)

(b) Currency Translation

Functional and Presentation Currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entities operate (the “functional currency”). The financial statements of the Group and of the Company are presented in Singapore Dollars (“S\$”), which is the Company’s functional and presentation currency, as it best reflects the economic substance of the underlying transactions events and circumstances relevant to the Company.

Transactions and Balances

Transactions in a currency other than the functional currency (“foreign currency”) are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Currency translation gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in net income or expenditure in the statements of financial activities.

(c) Basis of Consolidation

Consolidated Financial Statements

General

At the end of the financial periods, the Company is a parent, the governing board members prepares consolidated financial statements of the Group for the periods, in addition to the separate financial statements of the Company for the periods. Consolidated financial statements are a set of financial statements of the Group presented as those of a single economic entity and are prepared in addition to those prepared for the parent itself and to those prepared for each of the subsidiaries in its own right.

Control Test

Where a Company has the power to exercise, or actually exercises, control over another entity, then that entity is a subsidiary of the Company.

**ST LUKE'S HOSPITAL AND ITS SUBSIDIARY
(Incorporated in Singapore)**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

2 Significant Accounting Policies (cont'd)

(c) Basis of Consolidation (cont'd)

Control Test (cont'd)

Control is presumed to exist when the Company owns, directly or indirectly through subsidiaries, more than half of the voting power of an entity. That presumption may be overcome in exceptional circumstances if it can be clearly demonstrated that such ownership does not constitute control. Control also exists when the Company owns half or less of the voting power of an entity when there is:

- (i) Power to govern the financial and operating policies of the entity under a statute or an agreement;
- (ii) Power to give directions to the governing board members or board of directors or equivalent governing body and control of the entity is by that board or body;
- (iii) Power to appoint or remove the majority of the members of the governing board or board of directors or equivalent governing body and control of the entity is by that board or body;
- (iv) Power to appoint or remove a significant proportion of the members of the governing board or board of directors or equivalent governing body, if control of the entity is by that board or body, and the other parties who have the power to appoint or remove such board or body are widely dispersed.
- (v) Power to cast the majority of votes at the meetings of the governing board or board of directors or equivalent governing body and control of the entity is by that board or body;
- (vi) Power to cast a significant proportion of votes at the meetings of the governing board or board of directors or equivalent governing body, if control of the entity is by that board or body, and the other parties who have the power to cast votes at such meetings are widely dispersed;
- (vii) Power over more than half of the voting rights by virtue of an agreement with other shareholders/investors; or
- (viii) Significantly more voting rights than any other shareholders/investors or organised group of shareholders/investors, and the other shareholders/investors are widely dispersed.

In assessing whether control exists, the Company considers all facts and circumstances in addition to the above indicators.

Consolidation Procedures

In preparing consolidated financial statements, the Company combines its financial statements and its subsidiary line by line by adding together like items of assets, liabilities, funds (or equity), income and expenditure. In order that the consolidated financial statements present financial information about the Group as that of a single economic entity, the following steps are then taken:

ST LUKE'S HOSPITAL AND ITS SUBSIDIARY
(Incorporated in Singapore)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

2 Significant Accounting Policies (cont'd)

(c) Basis of Consolidation (cont'd)

Consolidation Procedures (cont'd)

- (i) The carrying amount of the Company's investment in its subsidiary and the Company's portion of funds (or equity) of its subsidiary is eliminated;
- (ii) Non-controlling interests (if any) in the net income or expenditure of the consolidated subsidiary for the reporting period is identified; and
- (iii) Non-controlling interests (if any) in the net assets of the consolidated subsidiary is identified separately from the Company's ownership interests in them. Non-controlling interests in the net assets consist of:
 - (a) The amount of those non-controlling interests at the date of the original business combination calculated; and
 - (b) The non-controlling interests' share of changes in funds (or equity) since the date of the combination.

The proportions of net income or expenditure and changes in funds allocated to the Company and to the non-controlling interests are determined on the basis of existing ownership interests and do not reflect the possible exercise or conversion of options or convertible instruments.

Intra-Group Balances and Transactions

Intra-group balances and transactions, including income, expenditures and dividends, are eliminated in full. Profit and losses resulting from intra-group transactions that are recognised in assets, such as inventory and property, plant and equipment, are eliminated in full. Intra-group losses may indicate an impairment that requires recognition in the consolidated financial statements.

All items of income and expenditure are shown gross after the elimination of intra-group transactions, and similar items are treated and presented in the same way.

Uniform Reporting Date

The financial statements of the Company and its subsidiary used in the preparation of the consolidated financial statements are prepared as of the same date. When the end of the reporting period of the Company is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial statements as of the same date as the financial statements of the Company unless it is impracticable to do so.

Uniform Accounting Policies

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events and conditions in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to its financial statements in preparing the consolidated financial statements.

ST LUKE'S HOSPITAL AND ITS SUBSIDIARY
(Incorporated in Singapore)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

2 Significant Accounting Policies (cont'd)

(c) Basis of Consolidation (cont'd)

Acquisition and Disposal of Subsidiary

The income and expenditures of a subsidiary are included in the consolidated financial statements from the acquisition date. Income and expenditures of the subsidiary are based on the values of the assets and liabilities recognised in the Company's consolidated financial statements at the acquisition date.

The income and expenditures of a subsidiary are included in the consolidated financial statements until the date when the Company ceases to control the subsidiary. The difference between the proceeds from the disposal of the subsidiary and its carrying amount as of the date of disposal is recognised in net income or expenditure as the gain or loss on the disposal of the subsidiary.

If an entity ceases to be a subsidiary but the Company continues to hold an investment in the former subsidiary, that investment is recognised at its fair value at the date when control is lost.

(d) Fund Accounting

Monies received for specific purposes, including transfers from the general fund, are credited directly to the respective fund financial statements. These include restricted funds and unrestricted funds. Restricted funds are funds held by the Group and by the Company that can only be applied for specific purposes. These funds are subject to specific trusts which may be declared by the donors or with their authority or created through legal process but are still within the wider objects of the Group and of the Company. Unrestricted funds are expendable at the discretion of the Group's and of the Company's Board of Directors in furtherance of the Group's and of the Company's objects. Designated fund is part of the unrestricted funds earmarked for a particular project. The designation is for administrative purpose only and does not restrict the Board's discretion to apply the fund.

Income and expenditure relating to specific funds are accounted for directly in the funds to which they relate. Common expenses, if any, are allocated on a reasonable basis to the funds based on a method suitable to this common expense. Assets and liabilities of the specific funds are pooled in the balance sheets.

Funds received for specific purposes such as purchase of depreciable assets are taken to relevant restricted fund account. This relevant restricted fund will be reduced over the useful life of the asset in line with its depreciation.

If its use is unrestricted, the governing board members may consider creating a designated fund reflecting the value of the asset. Likewise, depreciation will be debited to the relevant designated funds where the asset is held, if this is the intention.

**ST LUKE'S HOSPITAL AND ITS SUBSIDIARY
(Incorporated in Singapore)**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

2 Significant Accounting Policies (cont'd)

(e) Property, Plant and Equipment

Property, plant and equipment are initially stated at cost. Subsequently, property, plant and equipment are stated at cost less accumulated depreciation. The cost of an item of property, plant and equipment includes its purchase price and any cost that is 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. Irrecoverable GST allocated to property, plant and equipment and to other items shall be included in their cost where it meets the criteria for capitalisation and significance. The projected cost of dismantlement, removal or restoration is also included as part of the cost of property, plant and equipment if the obligation for the dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset. The cost of an item of property, plant and equipment is recognised as an asset if, and only if it is probable that future economic benefits associated with the item will flow to the Group and the Company and the cost of the item can be measured reliably. When significant parts of property, plant and equipment are required to be replaced in intervals, the cost of replacing such an item when that cost is incurred is added to the carrying amount of the item if the recognition criteria are met. The cost of day to day servicing of an item of property, plant and equipment is recognised as expenditure in the statement of financial activities in the period in which the costs are incurred. Property, plant and equipment shall not be revalued and are not required to be assessed for impairment.

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

Leasehold building	-	30 years
Furniture and office equipment	-	5 years
Computers	-	3 years
Hospital equipment	-	5 years

No depreciation is provided on building under construction.

The depreciation charge for each period is recognised as expenditure in the statement of financial activities unless another section of the CAS requires it to be included in the carrying amount of another asset. The residual values, estimated useful lives and depreciation method of property and equipment are reviewed and adjusted, as appropriate, at each balance sheet date. The effects of any revisions are recognised in the statement of financial activities for the financial year in which the changes arise. The carrying amount of the property, plant and equipment at the date of revision or changes is depreciated over the revised remaining useful lives.

ST LUKE'S HOSPITAL AND ITS SUBSIDIARY
(Incorporated in Singapore)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

2 Significant Accounting Policies (cont'd)

(f) Investments in Financial Assets

Investments in financial assets are investments in debt or equity instruments which are recognised when it becomes a party to the contractual provisions of the instrument. They are included in non-current assets unless management intends to dispose of the assets within twelve months after the balance sheet date.

Investments in financial assets are initially recognised at the transactions price excluding transaction cost, if any. Transaction costs are recognised as expenditure in the statement of financial activities as incurred after initial measurement. Investments in financial assets are subsequently measured at cost less any accumulated impairment losses. Investments in financial assets are not measured at fair value subsequent to initial recognition.

(g) Trade and Other Receivables

Trade and other receivables excluding prepayments are initially recognised at their transactions price, excluding transaction costs, if any. Transactions costs are recognised as expenditure in the statement of financial activities as incurred. Prepayments are initially recognised at the amount paid in advance for the economic resources expected to be received in the future.

After initial recognition, trade and other receivables excluding prepayments are subsequently measured at cost less any accumulated impairment losses. Prepayments are subsequently measured at the amount paid less the economic resources received or consumed during the financial year.

Financial assets (consisting of cash and cash equivalents, and trade and other receivables excluding prepayments), are derecognised when the contractual rights to receive cash flows from the assets have expired or have been transferred and the Group and the Company have transferred substantially all risks and rewards of ownership. On derecognition of financial assets in its entirety, the difference between the carrying amount and the sum of the consideration received are recognised in the statement of financial activities.

(h) Impairment of Financial Assets

The Group and the Company assess at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired and recognises an impairment loss (i.e. expenditure) immediately in the statement of financial activities when such evidence exists.

An allowance for impairment is established when there is objective evidence that the Group and the Company will not be able to collect all amounts due according to the original terms of the receivables.

ST LUKE'S HOSPITAL AND ITS SUBSIDIARY
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NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

2 Significant Accounting Policies (cont'd)

(h) Impairment of Financial Assets (cont'd)

To determine whether there is objective evidence that an impairment loss has been incurred, the Group and the Company consider assessable data that come to the attention of the Group and of the Company.

In the case of trade and other receivables, the amount of impairment loss is the difference between the financial asset's carrying amount and the undiscounted future cash flows, excluding unearned interest of interest-bearing assets that the Group and the Company expect to receive from the assets. In the case of equity investments classified as investments in financial assets, the impairment loss is measured as the difference between the carrying amount of the investment and the best estimate (which will necessarily be an approximation) of the amount (which might be zero) that the Group and the Company would receive for the investment if it was to be sold at the balance sheet date. The impairment loss is recognised in the statement of financial activities.

The recognised impairment loss is subsequently reversed if the amount of the impairment loss decreases and the decrease is related objectively to an event occurring after the impairment is recognised. The reversal shall not result in a carrying amount of the financial assets, net of any allowance account that exceeds what the carrying amount would have been had the impairment not previously been recognised. The reversal of impairment loss is recognised in the statement of financial activities.

(i) Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and at bank and fixed deposits which are short term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. These include cash and cash equivalents held under restricted funds, the use of which is subject to the relevant restricted funds' operating terms.

(j) Financial Liabilities

Financial liabilities are recognised on the balance sheet when, and only when the Group and the Company become a party to the contractual provisions of the financial instrument. The Group and the Company derecognise financial liabilities when, and only when, the Group's and the Company's obligations are discharged, cancelled or expired.

(k) Trade and Other Payables

Trade and other payables (excluding accruals), are recognised at their transaction price, excluding transaction costs, if any, both at initial recognition and at subsequent measurement. Transaction costs are recognised as expenditure in the statement of financial activities as incurred. Accruals are recognised at the best estimate of the amount payable.

**ST LUKE'S HOSPITAL AND ITS SUBSIDIARY
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NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

2 Significant Accounting Policies (cont'd)

(l) Inventories

Inventories comprising pharmaceutical and surgical products, linens and pyjamas are stated at the lower of cost and net realisable value. Cost is determined on a weighted average cost basis and includes all costs in bringing the inventories to their present location and condition. The net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

(m) Income Recognition

Income including donations, gifts and grants that provide core funding or are of general nature are recognised when there is (a) entitlement (b) certainty and (c) sufficient reliability of measurement. Such income is only deferred when: the donor specifies that the grant of donation must only be used in future accounting periods; or the donor has imposed conditions which must be met before the Group and the Company have unconditional entitlement.

Donations

Donations and corporate cash sponsorships are accounted for as income when received, except for committed donations and corporate cash sponsorships that are recorded when the commitments are fulfilled.

Cash donations which are still in collection containers at public and other premises or are in transit to the Group and the Company are not recognised as income until they have been received by the Group and the Company. Donations are recognised on a receipt basis.

No value is ascribed to volunteer services, donated services, assets donated for continuing use or similar donations-in-kind, unless the benefit to the Group and the Company is reasonably quantifiable and measurable in which case an equivalent amount is recorded in expenditure, or capitalised as appropriate. Donations-in-kind received for continuing use are capitalised and included in the balance sheet at a reasonable estimate or in the event that it is not practicable to do so, a nominal value of S\$1 is assigned to capitalise the useable assets.

Grants

Grants received to cover a particular expenditure or programme are accounted for as income upon receipt of notification of the grant award and when the criteria of entitlement, certainty and measurability are met. When conditions are attached, they must be fulfilled before the Group and the Company have unconditional entitlement to the income. The income is deferred as a liability where uncertainty exists as to whether the Group and the Company can meet the conditions and is recognised as income when there is sufficient evidence that the conditions imposed can be met.

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2 Significant Accounting Policies (cont'd)

(m) Income Recognition (cont'd)

Others

Items received which are donated for resale, distribution or consumption are not recorded when received as it is usually not practical to ascertain the value of the items involved.

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

Dividend income is recognised when the right to receive payment is established.

(n) Expenditure

All expenditures are accounted for on an accrual basis and have been classified under headings that aggregate all costs related to that activity.

Costs of Generating Funds

The costs of generating funds are those costs attributable to generating income for the Group and the Company, other than those costs incurred in undertaking charitable activities in furtherance of the Group's and of the Company's objects.

Charitable Activities

Expenditure on charitable activities comprises all costs incurred in the pursuit of the charitable objects of the Group and of the Company. Those costs, where not wholly attributable, are apportioned between the categories of charitable expenditure. The total costs of each category of charitable expenditure therefore include an apportionment of support cost, where possible.

Governance Costs

Governance costs include the costs of governance arrangements, which relate to the general running of the Group and of the Company as opposed to the direct management functions inherent in generating funds, service delivery and programme or project work. Expenditure on the governance of the charity will normally include both direct and related support costs which include internal and external audit, apportioned manpower costs and general costs in supporting the governance activities, legal advice for governing board members, and costs associated with constitutional and statutory requirements.

Support Costs

Support costs are costs incurred in supporting income generation activities such as fundraising, and in supporting the governance of the charity. Support costs do not in themselves constitute an activity; instead they enable output-creating activities to be undertaken. Support costs include office functions such as key and general management, information technology, human resources, and financing and these are apportioned to the relevant activity cost category they support.

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2 Significant Accounting Policies (cont'd)

(n) Expenditure (cont'd)

Other Expenditure

Other expenditure includes the payment of any expenditure that the Group and the Company have not been able to analyse within the main expenditure categories.

(o) Employee Benefits

Defined Contribution Plans

Defined contribution plans are post-employment benefit plans under which the Group and the Company pay fixed contributions into separate entities such as the Central Provident Fund, and will have no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current period and preceding financial years. The Group's and the Company's contributions to defined contribution plans are recognised in the financial year to which they relate.

Employee Leave Entitlements

Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. An accrual is made for the estimated liability for annual leave and long-service leave as a result of services rendered by employees up to the balance sheet date.

(p) 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 are taken to the statement of financial activities on a straight-line basis over the year 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 year in which termination takes place.

(q) Income Tax

The Company is an approved charity under the Singapore Charities Act, Chapter 37 and an Institution of a Public Character under the Income Tax Act, Chapter 134. No provision for taxation has been made in the financial statements as the Company is a registered charity with income tax exemption.

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3 Critical Accounting Estimates, Assumptions and Judgments

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

The Group and the Company make estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

Critical judgments made in applying accounting policies

The critical judgments that are expected to have a significant effect on the amounts recognised in the financial statements are discussed below:

Impairment of Trade and Other Receivables (excluding Prepayments)

The Group and the Company assess at each balance sheet date whether there is objective evidence that trade and other receivables (excluding prepayments) have been impaired. Provision for doubtful debts is calculated based on a review of the current status of existing receivables and historical collections experience. Such provision is adjusted periodically to reflect the actual and anticipated experience. During the financial year ended 31 March 2019, the Group and the Company have recognised a provision for doubtful debts for trade receivables amounted to S\$30,218 (2018: S\$4,692). The carrying amount of the Group's and of the Company's total trade receivables and other receivables (excluding prepayments) as at 31 March 2019 amounted to S\$10,494,355 (2018: S\$14,588,925) and S\$10,504,455 (2018: S\$14,588,925) respectively.

Apportionment of Costs

In determining the apportionment of costs between the government costs, charitable activity, and fundraising activity categories, Management has considered the materiality of the cost amounts involved and apportioned the costs based on the expenditure incurred directly in undertaking an activity, amount of time spent in an activity, floor area occupied by an activity and the number of staff employed within an activity. Support costs incurred in supporting voluntary income generation were apportioned to the costs of generating funds – voluntary income category. Management has exercised their judgment and is satisfied that the bases for apportionment are appropriate to the cost concerned and to the Group's and the Company's particular circumstances. The bases for apportionment adopted by the Group and by the Company were consistent between financial periods.

During the financial year ended 31 March 2019, the Group and the Company had costs of generating funds amounted to S\$753,856 (2018: S\$628,275), costs of charitable activities amounted to S\$44,493,394 (2018: S\$41,999,117) and governance costs amounted to S\$1,040,654 (2018: S\$946,573).

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4 Income from Generated Funds – Voluntary Income

	Group and Company	
	<u>2019</u>	<u>2018</u>
	S\$	S\$
<i>Unrestricted Funds:</i>		
Donations - in cash	1,354,833	1,254,504
Donations - in kind	22,367	20,897
 Government grants:		
- Intermediate and Long-Term Care (ILTC) Manpower Initiatives	851,119	3,554,979
- Aged Care Transition Project	245,070	226,662
- Home Intervention	173,865	206,732
- Improvement of Palliative Care	122,638	954,962
- Healthcare Performance Office fund	84,000	202,128
- Seer Programme	12,520	25,935
- Community Hospital Computer System	-	948,930
- Improvements of Dementia Services Project	-	473,706
- Others	311,950	309,404
	3,178,362	8,178,839
 <i>Restricted Funds:</i>		
Donations	563,428	483,862
Grants:		
- Building expansion fund	1,035,689	3,251,513
- Community Silver Trust fund	2,719,695	2,800,156
- Chaplaincy fund	180	2,236
- Medifund	79,500	82,500
- Patient welfare fund	3,836	8,240
- Senior mobility fund	569,217	342,743
	4,971,545	6,971,250
	8,149,907	15,150,089

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5 Income from Generated Funds – Activities for Generating Funds

	Group and Company	
	<u>2019</u>	<u>2018</u>
	S\$	S\$
<i>Unrestricted Funds:</i>		
Fundraising:		
- Christmas appeal	533,169	265,714
- Wesley Easter	187,565	172,340
- Charity lunch	171,552	238,651
- Dr. Tan Lai Yong Triathlon	134,184	-
- Chinese New Year	128,802	124,180
- Keppel golf	90,888	93,888
- Mid-year appeal	10,658	-
- Starhub mailer	8,347	52,251
- Charity golf	-	588,700
- Charity Film	-	37,190
- Singapore Power mailer	-	100
- Others	14,897	8,048
	<u>1,280,062</u>	<u>1,581,062</u>

6 Income from Generated Funds – Investment Income

	Group and Company	
	<u>2019</u>	<u>2018</u>
	S\$	S\$
<i>Unrestricted Funds:</i>		
Dividend from investments in financial assets	153,288	169,707
Gain on disposal of investments in financial assets	42,469	287,267
Reversal of impairment loss on investments in financial assets (Note 17)	26,462	57,825
Interest:		
- Bank balances	121,475	30,839
- Investments in financial assets	79,418	50,745
	<u>423,112</u>	<u>596,383</u>
<i>Restricted Funds:</i>		
Interest - Bank balances	4,633	2,854
	<u>427,745</u>	<u>599,237</u>

During the financial year ended 31 March 2019, an amount of S\$4,574 (2018: S\$14,687) and Nil (2018: S\$2,513) interest income have been allocated to the Unrestricted funds - Asset Replacement Fund and Scholarship fund respectively.

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7 Income from Charitable Activities

	Group and Company	
	<u>2019</u>	<u>2018</u>
	S\$	S\$
<i>Unrestricted Funds:</i>		
Ward charges	10,212,541	4,487,125
Treatment charges	4,062,229	2,060,472
Rehabilitation charges	3,764,598	4,113,530
Procedures and investigations	992,265	886,585
Pharmaceuticals	935,625	1,032,450
Consumables	728,514	440,567
X-ray services	45,597	51,427
Day rehabilitation and outpatient clinic	1,331,762	1,352,770
Home care and home assessments	191,963	239,486
Ambulance and others services	217,556	172,723
Government subventions:		
- Rehabilitation	19,419,935	15,349,730
- Continuing care	874,909	701,494
- Day rehabilitation and home care	1,007,291	902,233
Hospital subsidies and discounts	(5,572,689)	(970,584)
Government grant:		
- Land lease rental	889,103	824,085
	<u>39,101,199</u>	<u>31,644,093</u>

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8 Other Income

	Group and Company	
	<u>2019</u>	<u>2018</u>
	S\$	S\$
<i>Unrestricted Funds:</i>		
Training and course fees	1,602,533	998,829
Professional service fees	216,348	468,229
Parking fees	92,743	95,181
Gain on disposal of property, plant and equipment	1,607	-
Others	11,091	51,935
	1,924,322	1,614,174
<i>Restricted Funds:</i>		
Others	49,752	505
	1,974,074	1,614,679

9 Costs of Generating Funds

	Group and Company	
	<u>2019</u>	<u>2018</u>
	S\$	S\$
<i>Unrestricted Funds:</i>		
<u>Voluntary income</u>		
Direct operating costs	32,416	26,046
Support costs		
- Salaries and related costs (Note 13)	224,658	175,540
- Depreciation (Note 16)	22,602	18,336
- Amortisation (Note 16)	(14,105)	(10,270)
- Others	29,742	57,318
	295,313	266,970
<u>Fundraising activities</u>		
Direct operating costs	134,746	161,767
	430,059	428,737

The support costs of the Group and the Company which include office functions such as key and general management are apportioned based on the amount of time spent, floor area occupied and the number of staff operating in the Group and the Company.

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10 Charitable Activities

	Group and Company	
	<u>2019</u>	<u>2018</u>
	S\$	S\$
<i>Unrestricted Funds:</i>		
<u>Direct operating costs</u>		
Salaries and related costs (Note 13)	26,583,057	24,429,436
Professional services		
- Medical & Allied Health services	1,001,248	551,615
- Nursing & Therapist services	237,876	834,747
Catering	1,124,239	1,141,958
Pharmaceuticals	960,311	992,935
Consumables	1,103,520	778,252
Laundry services	163,092	163,457
Laboratory	300,343	318,986
X-ray	73,550	75,318
Ambulance and others	281,146	203,004
	<u>31,828,382</u>	<u>29,489,708</u>
<u>Indirect operating costs</u>		
Salaries and related costs (Note 13)	4,061,269	4,250,693
Building maintenance	1,552,151	1,479,509
Depreciation (Note 16)	4,922,688	4,021,697
Amortisation (Note 16)	(3,058,855)	(2,252,690)
Land Lease rental/rental services	924,455	889,636
Repair and maintenance	470,070	458,858
Utilities	297,073	287,190
GST input tax disallowed	270,336	471,099
Security expenses	151,581	152,959
Publicity expenses	72,403	47,430
Others	821,770	690,367
	<u>10,484,941</u>	<u>10,496,748</u>
	<u>42,313,323</u>	<u>39,986,456</u>
<i>Restricted Funds:</i>		
Financial aid for needy patients	784,632	662,899
Salaries and related costs (Note 13)	552,765	518,128
Other operating costs	22,247	17,035
Utilisation of Community Silver Trust fund		
- Salaries and related costs (Note 13)	677,333	685,657
- Research and project expenses	143,030	128,811
- Others	64	131
	<u>2,180,071</u>	<u>2,012,661</u>
Total costs of charitable activities	<u>44,493,394</u>	<u>41,999,117</u>

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11 Governance Costs and Other Expenditures

	Group and Company	
	<u>2019</u>	<u>2018</u>
	S\$	S\$
<u>Governance costs</u>		
<i>Unrestricted Funds:</i>		
Salaries and related costs (Note 13)	800,472	784,156
Building maintenance	17,691	16,863
Depreciation (Note 16)	56,506	45,839
Amortisation (Note 16)	(35,262)	(25,676)
Repair and maintenance	13,385	14,600
Utilities	3,386	3,273
GST input tax disallowed	7,698	14,990
Others	29,431	29,687
Audit fees		
- Statutory audit	43,000	38,000
- Certification audit	11,700	7,600
Other professional fees	92,647	17,241
	<u>1,040,654</u>	<u>946,573</u>
 <u>Other expenditure</u>		
Impairment loss on investments in financial assets (Note 17)	<u>323,797</u>	<u>199,538</u>

12 Net Income Before Tax Expense

This was arrived at after charging/(crediting) to the statement of financial activities:

	Group and Company	
	<u>2019</u>	<u>2018</u>
	S\$	S\$
Cost of inventories sold (included in charitable activities expenses)		
- Pharmaceuticals	960,311	992,935
- Consumables	1,103,520	778,252
Land lease rental	909,072	870,061
Operating lease rental - Equipment rental expenses	30,844	33,771
Depreciation expenses	5,001,796	4,085,872
Amortisation expenses	(3,108,222)	(2,288,636)
Impairment loss on investments in financial assets	323,797	199,538
(Reversal of) impairment loss on investments in financial assets	(26,462)	(57,825)
Provision for doubtful debts (Note 18)	30,218	4,692
Write back of provision for doubtful debts (Note 18)	(3,038)	(3,580)
Gain on disposal of property, plant and equipment	<u>(1,607)</u>	<u>-</u>

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13 Employee Benefits

	Group and Company	
	<u>2019</u>	<u>2018</u>
	S\$	S\$
<i>Unrestricted Funds:</i>		
<i>Included in Direct Operating Costs of Charitable Activities:</i>		
<u>Salaries and related costs</u>		
Short-term employee benefits:		
- Gross salaries and bonuses	22,339,145	20,555,118
- Foreign workers' levy	788,537	789,172
- Other staff benefits	1,280,568	1,117,485
Post-employment benefits (Defined Contribution Plans)	2,174,807	1,967,661
Total salaries and related costs (Note 10)	<u>26,583,057</u>	<u>24,429,436</u>
 <i>Included in Costs of Generating Funds, Indirect Operating Costs of Charitable Activities and Governance Costs (Notes 9, 10 and 11):</i>		
<u>Salaries and related costs</u>		
Short-term employee benefits:		
- Gross salaries and bonuses	4,292,381	4,408,082
- Foreign workers' levy	21,413	27,103
- Other staff benefits	254,342	275,459
Post-employment benefits (Defined Contribution Plans)	518,263	499,745
Total salaries and related costs	<u>5,086,399</u>	<u>5,210,389</u>
 <i>Included in Charitable Activities – Restricted Funds:</i>		
<u>Salaries and related costs</u>		
Short-term employee benefits:		
- Gross salaries and bonuses	1,080,410	941,496
- Other staff benefits	19,659	171,647
Post-employment benefits (Defined Contribution Plans)	130,029	90,642
Total salaries and related costs (Note 10)	<u>1,230,098</u>	<u>1,203,785</u>
 Number of employees as at 31 March	 <u>500</u>	 <u>482</u>

14 Tax Expense

The Company is an approved charity under the Singapore Charities Act, Chapter 37 ("Charities Act") and an Institution of a Public Character under the Income Tax Act, Chapter 134. No provision for taxation has been made in the financial statements as the Company is a registered charity with income tax exemption. As required by the Charities Act, the total fund-raising and sponsorship expenses of the Company for the financial years did not exceed 30% of the total gross receipts from fund-raising and sponsorship for the respective financial years.

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15 Subsidiary

The Company's wholly owned subsidiary, St Luke's Outpatient Services Ltd., is a company, limited by guarantee, domiciled and incorporated in Singapore on 22 February 2018. The principal activity of St Luke's Outpatient Services Ltd is to provide outpatient care and related medical services. At the balance sheet date, the Company considers St Luke's Outpatient Services Ltd. to be its subsidiary as it has power to give directions to the governing board members on the board of directors and control of the subsidiary.

St Luke's Outpatient Services Ltd remained dormant during the financial years.

16 Property, Plant and Equipment

	<u>Leasehold building</u> S\$	<u>Furniture and office equipment</u> S\$	<u>Hospital equipment</u> S\$	<u>Building under construction</u> S\$	<u>Total</u> S\$
Group and Company					
2019					
<u>Cost</u>					
At 1 April 2018	48,225,640	3,812,746	6,181,544	449,760	58,669,690
Additions	-	151,109	143,161	924,527	1,218,797
Disposals/write-off	-	(14,880)	(10,000)	-	(24,880)
Transfer	1,374,287	-	-	(1,374,287)	-
At 31 March 2019	<u>49,599,927</u>	<u>3,948,975</u>	<u>6,314,705</u>	<u>-</u>	<u>59,863,607</u>
<u>Accumulated depreciation</u>					
At 1 April 2018	18,326,528	3,246,166	3,724,296	-	25,296,990
Depreciation for the year	3,832,635	294,444	874,717	-	5,001,796
Disposals/write-off	-	(4,980)	(10,000)	-	(14,980)
At 31 March 2019	<u>22,159,163</u>	<u>3,535,630</u>	<u>4,589,013</u>	<u>-</u>	<u>30,283,806</u>
<u>Net book value</u>					
At 31 March 2019	<u>27,440,764</u>	<u>413,345</u>	<u>1,725,692</u>	<u>-</u>	<u>29,579,801</u>

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16 Property, Plant and Equipment (cont'd)

	Leasehold building S\$	Furniture and office equipment S\$	Hospital equipment S\$	Building under construction S\$	Total S\$
Group and Company					
2018					
<u>Cost</u>					
At 1 April 2017	39,031,716	3,615,016	4,774,031	5,522,451	52,943,214
Additions	-	197,730	1,130,738	4,398,378	5,726,846
Disposals/write-off	-	-	(370)	-	(370)
Transfer	9,193,924	-	277,145	(9,471,069)	-
At 31 March 2018	48,225,640	3,812,746	6,181,544	449,760	58,669,690
<u>Accumulated depreciation</u>					
At 1 April 2017	15,442,389	2,852,191	2,916,908	-	21,211,488
Depreciation for the year	2,884,139	393,975	807,758	-	4,085,872
Disposals/write-off	-	-	(370)	-	(370)
At 31 March 2018	18,326,528	3,246,166	3,724,296	-	25,296,990
<u>Net book value</u>					
At 31 March 2018	29,899,112	566,580	2,457,248	449,760	33,372,700

During the financial year ended 31 March 2019, the Group and the Company completed the alteration of the existing blocks under the building expansion project which commenced in the previous financial years. Accordingly, the Group and the Company transferred the expenditure of S\$1,374,287 (2018: S\$9,193,924) incurred for the alteration of these existing blocks from "Building under construction" to the "Leasehold building" category.

Management is of the view that it is not meaningful to obtain market valuation on the leasehold building on state land which is restricted for use as a community hospital.

Net depreciation charged to the statement of financial activities as indirect operating costs are:

	Group and Company	
	<u>2019</u>	<u>2018</u>
	S\$	S\$
Net depreciation charged to statement of financial activities:		
Depreciation for the year	5,001,796	4,085,872
Amortisation of building fund (Note 22(i))	(464,490)	(464,490)
Amortisation of building expansion fund (Note 22(ii))	(1,799,849)	(1,443,921)
Amortisation of Community Silver Trust capital grant (Note 22(iv))	(843,883)	(380,225)
	(3,108,222)	(2,288,636)
Net depreciation of property, plant and equipment	1,893,574	1,797,236

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17 Investments in Financial Assets

	Group and Company	
	<u>2019</u>	<u>2018</u>
	S\$	S\$
Cost:		
Balance at beginning of the year	5,801,841	4,820,595
Acquisitions	351,675	1,357,191
Disposals	(355,080)	(375,945)
Balance at end of the year	<u>5,798,436</u>	<u>5,801,841</u>
Accumulated impairment loss:		
Balance at beginning of the year	325,436	183,723
Reversal of impairment loss on investments in financial assets (Note 6)	(26,462)	(57,825)
Impairment loss on investments in financial assets (Note 11)	323,797	199,538
Balance at end of the year	<u>622,771</u>	<u>325,436</u>
Net investments in financial assets	<u>5,175,665</u>	<u>5,476,405</u>

During the financial year ended 31 March 2019, an impairment loss of S\$323,797 (2018: S\$199,538) for investments in financial assets was made due to a sustained and prolonged decline in the market value of these investments below their costs.

At the balance sheet date, investments in financial assets in Singapore included the following:

	Group and Company	
	<u>2019</u>	<u>2018</u>
	S\$	S\$
At carrying amount:		
Quoted bonds, convertible bonds, preference shares and equities	<u>5,175,665</u>	<u>5,476,405</u>
Market values	<u>5,825,599</u>	<u>6,119,507</u>

The effective interest rates for the interest-bearing financial assets are as follows:

	Group and Company	
	<u>2019</u>	<u>2018</u>
	%	%
Quoted preference shares	4.33	4.51
Quoted bonds	<u>2.86</u>	<u>2.86</u>

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18 Trade and Other Receivables

	Group		Company	
	<u>2019</u> S\$	<u>2018</u> S\$	<u>2019</u> S\$	<u>2018</u> S\$
Trade Receivables				
Patient's fees	2,552,156	2,467,733	2,552,156	2,467,733
Less: Provision for doubtful debts	(37,645)	(11,246)	(37,645)	(11,246)
	<u>2,514,511</u>	<u>2,456,487</u>	<u>2,514,511</u>	<u>2,456,487</u>
Other Receivables				
Interest receivable	28,599	18,006	28,599	18,006
Other receivables	347,219	555,090	347,219	555,090
Amount due from subsidiary	-	-	10,100	-
Deposits	13,449	12,603	13,449	12,603
Government grants	2,035,226	5,659,856	2,035,226	5,659,856
Community Silver Trust funds receivable	5,555,351	5,886,883	5,555,351	5,886,883
	<u>7,979,844</u>	<u>12,132,438</u>	<u>7,989,944</u>	<u>12,132,438</u>
Prepayments	178,850	103,620	178,850	103,620
Total trade and other receivables	<u>10,673,205</u>	<u>14,692,545</u>	<u>10,683,305</u>	<u>14,692,545</u>

Trade receivables are stated net of provision for doubtful debts. Provision for doubtful debts is analysed as follows:

	Group and Company	
	<u>2019</u> S\$	<u>2018</u> S\$
Balance at beginning of the year	11,246	39,001
Provision for doubtful debts recognised during the year (Note 12)	30,218	4,692
Write back of provision for doubtful debts (Note 12)	(3,038)	(3,580)
Write off against provision for doubtful debts	(781)	(28,867)
Balance at end of the year	<u>37,645</u>	<u>11,246</u>

Trade receivables that are determined to be impaired at the balance sheet date relates to the debtors that are in financial difficulties or have defaulted on payments.

During the financial year ended 31 March 2019, the Group and the Company recovered an amount of S\$3,038 (2018: S\$3,580) which had been previously provided for, and accordingly, these have been written back during the year. A provision for doubtful debts of S\$30,218 (2018: S\$4,692) has been made for the current financial year ended 31 March 2019 as these amounts are considered not recoverable.

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19 Cash and Cash Equivalents

	Group		Company	
	<u>2019</u> S\$	<u>2018</u> S\$	<u>2019</u> S\$	<u>2018</u> S\$
Fixed deposits placed with financial institutions	2,634,911	4,316,128	2,634,911	4,316,128
Cash and bank balances	21,594,744	10,908,418	21,584,644	10,908,418
Cash and cash equivalents per statement of cash flows	<u>24,229,655</u>	<u>15,224,546</u>	<u>24,219,555</u>	<u>15,224,546</u>

The weighted average effective interest rate earned on fixed deposits is 1.45% (2018: 1.26%) per annum with maturity dates ranging from 3 to 12 months (2018: 3 to 12 months).

Included in the cash and cash equivalents are S\$1,471,445 (2018: S\$1,581,867) which are short-term assets easily and readily converted into cash, the use of which are subject to relevant restricted funds' operating terms.

20 Trade and Other Payables

	Group and Company	
	<u>2019</u> S\$	<u>2018</u> S\$
<i>Current</i>		
<u>Trade Payables</u>		
Trade payables	1,298,055	1,922,017
<u>Other Payables</u>		
Other creditors ⁽¹⁾	512,671	920,498
CPF payables	817,562	653,713
Claw back of government subsidy ⁽²⁾	620,519	1,722,807
Accrued staff cost	4,128,594	2,772,357
Other accruals	379,812	400,547
	<u>7,757,213</u>	<u>8,391,939</u>

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20 Trade and Other Payables (cont'd)

- (1) As at 31 March 2018, other creditors included an amount of S\$459,238 advances from the MOH pertaining to a grant receivable by the Company for the operation of a new palliative ward. This amount had been clawed back by MOH during the current financial year ended 31 March 2019.
- (2) The Group and the Company receive government subvention from the MOH based on the patient's household income (i.e. "Means-testing"). During the financial year ended 31 March 2019, the Group and the Company have recognised claw back amounted to S\$957,119 (2018: S\$1,810,316) relating to the government subvention. The carrying amount of the claw back as at 31 March 2019 amounted to S\$620,519 (2018: S\$1,722,807). The claw back arises due to an overlap in claims under the same patients, one being the hip fracture patients (2018: sub-acute care funding for sub-acute, hip fracture and palliative patients) transferred from NUH, and the other being the government subvention for these patients based on means-testing.

21 Unrestricted Funds

	Group and Company	
	<u>2019</u>	<u>2018</u>
	S\$	S\$
Unrestricted income funds	(i) 28,801,674	33,549,146
Designated funds:		
- Asset replacement fund	(ii) 6,002,459	367,885
- New project fund	(iii) 2,000,000	-
Total designated funds	<u>8,002,459</u>	<u>367,885</u>
Total unrestricted funds	<u>36,804,133</u>	<u>33,917,031</u>

- (i) The unrestricted income funds are available to the Group and the Company to apply for the general purposes of the charity as set out in its governing document.
- (ii) Asset replacement fund is set up to finance future system upgrading and replacement (2018: building upgrading and equipment replacement).
- (iii) The new project fund is available to the Group and the Company for future new project requirements.

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21 Unrestricted Funds (cont'd)

Movements of the unrestricted funds during the current and previous financial years are disclosed as follows:

	Group and Company	
	<u>2019</u>	<u>2018</u>
	S\$	S\$
Funds balance at beginning of the year	33,917,031	30,765,022
Total income	45,907,057	43,614,551
Total expenditure	(44,107,833)	(41,561,304)
Net income	1,799,224	2,053,247
Gross transfers between funds:		
- Transfer from Community Silver Trust Fund (Note 22(iii))	1,087,878	1,098,762
Funds balance at end of the year	36,804,133	33,917,031

With effect from 1 April 2013, the Company is allowed to claim its recurrent operating expenses under the Community Silver Trust matching grant up to 40% of the donations received and channelled to ILTC services in the preceding financial year. As of 1 April 2014, the underlying basis with respect to the 40% of donations received has been changed from the preceding to the prevailing financial year. The Company has 5 years to utilise the funds for projects.

During the financial year ended 31 March 2019, the Group and the Company transferred from the Community Silver Trust fund of an amount of S\$1,087,878 (2018: S\$1,098,762) to utilise for recurrent operating expenses.

22 Restricted Funds – Restricted Income Funds

	Group and Company	
	<u>2019</u>	<u>2018</u>
	S\$	S\$
Restricted income funds:		
- Building fund – General	(i) 3,205,391	3,669,881
- Building expansion fund	(ii) 11,361,754	12,125,914
- Community Silver Trust fund	(iii) 4,597,097	5,967,696
- Community Silver Trust capital grant	(iv) 4,795,898	3,457,658
- Other funds	(v) 1,272,723	1,361,955
Total restricted income funds	25,232,863	26,583,104

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22 Restricted Funds – Restricted Income Funds (cont'd)

Movements of the restricted income funds during the current and previous financial years are disclosed as follows:

	Group and Company	
	<u>2019</u>	<u>2018</u>
	S\$	S\$
Funds balance at beginning of the year	26,583,104	25,008,554
Total income	5,025,930	6,974,609
Total expenditure	(2,180,071)	(2,012,661)
Net income	2,845,859	4,961,948
Gross transfers between funds	(1,087,878)	(1,098,762)
Amortisation expenses net of depreciation of property, plant and equipment credited to charitable activities (Note 16)	(3,108,222)	(2,288,636)
Funds balance at end of the year	<u>25,232,863</u>	<u>26,583,104</u>

(i) Building fund – General

	Group and Company	
	<u>2019</u>	<u>2018</u>
	S\$	S\$
Balance at beginning and end of the year	<u>13,045,322</u>	<u>13,045,322</u>
Amount amortised:		
Balance at beginning of the year	9,375,441	8,910,951
Amortisation for the year (Note 16)	464,490	464,490
Balance at end of the year	<u>9,839,931</u>	<u>9,375,441</u>
Net balance at end of the year	<u>3,205,391</u>	<u>3,669,881</u>

These are capital grants received from MOH and donations received from the public for the building of the hospital for the Group and the Company. These amounts are amortised to net off the corresponding depreciation in the statement of financial activities.

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22 Restricted Funds – Restricted Income Funds (cont'd)

(ii) *Building expansion fund*

	Group and Company	
	<u>2019</u>	<u>2018</u>
	S\$	S\$
Balance at beginning of the year	17,318,974	14,067,461
Grants received/receivable	1,035,689	3,251,513
Balance at end of the year	18,354,663	17,318,974
Amount amortised:		
Balance at beginning of the year	5,193,060	3,749,139
Amortisation for the year (Note 16)	1,799,849	1,443,921
Balance at end of the year	6,992,909	5,193,060
Net balance at end of the year	11,361,754	12,125,914

These are grants received/receivable from MOH for the building expansion. The Group and the Company recognised the grants in the statement of financial activities at the point when it has entitlement to the income. These amounts are amortised to net off the corresponding depreciation in the statement of financial activities.

(iii) *Community Silver Trust fund*

	Group and Company	
	<u>2019</u>	<u>2018</u>
	S\$	S\$
Balance at beginning of the year	5,967,696	5,612,970
Add: Income		
Community Silver Trust Matching Grant	2,719,695	2,800,156
Investment income - interest income	134	124
Less: Expenditure	(820,427)	(814,599)
Net income	1,899,402	1,985,681
Gross transfers between funds:		
- Transfer to unrestricted funds (Note 21)	(1,087,878)	(1,098,762)
- Transfer to Community Silver Trust capital grant (Note 22(iv))	(2,182,123)	(532,193)
Balance at end of the year	4,597,097	5,967,696

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22 Restricted Funds – Restricted Income Funds (cont'd)

(iii) Community Silver Trust fund (cont'd)

These are dollar-for-dollar donation matching grants provided by MOH through Agency for Integrated Care (“AIC”) to enhance the services of voluntary welfare organisations (“VWOs”) in the intermediate and long-term care (“ILTC”) sector for eligible donations received by the Group and the Company.

During the financial year ended 31 March 2019, the Group and the Company recognised matching grant income amounted to S\$2,719,695 (2018: S\$2,835,656), being eligible donation income earned during the financial year, which met the terms and conditions under the agreement of the matching grant.

(iv) Community Silver Trust capital grant

	Group and Company	
	<u>2019</u>	<u>2018</u>
	S\$	S\$
Balance at beginning of the year	3,457,658	3,305,690
Gross transfers between funds:		
- Transfer from Community Silver Trust fund (Note 22(iii))	2,182,123	532,193
Amortisation for the year (Note 16)	(843,883)	(380,225)
Balance at end of the year	4,795,898	3,457,658

The Community Silver Trust capital grant was set up from the Community Silver Trust fund for the purpose of capitalising the fixed assets purchased with the fund proceeds. These amounts are amortised to net-off the corresponding depreciation in the statement of financial activities.

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22 Restricted Funds – Restricted Income Funds (cont'd)

	Restricted Funds						Total funds S\$
	Chaplaincy ^(v) S\$	Medifund ^(vi) S\$	Memorial ^(vii) S\$	Patient welfare ^(viii) S\$	Senior Mobility fund ^(ix) S\$	S\$	
(v) Other Funds							
1 April 2018 to 31 March 2019							
Group and Company Income							
Income from generated funds	467,808	79,500	-	99,636	569,217	1,216,161	
- Voluntary income	124	124	(62)	4,313	-	4,499	
Investment income - interest income	49,140	-	-	612	-	49,752	
Other income	517,072	79,624	(62)	104,561	569,217	1,270,412	
Total incoming resources							
Expenditures							
Charitable activities	(574,635)	(179,068)	-	(137,470)	(468,471)	(1,359,644)	
Net expenditure before tax expense							
Transfer between funds	(57,563)	(99,444)	(62)	(32,909)	100,746	(89,232)	
Net expenditure after funds transfer							
	(57,563)	(99,444)	(62)	(32,909)	100,746	(89,232)	
Total funds brought forward	706,047	278,407	105,062	270,565	1,874	1,361,955	
Amortisation of expenses net of depreciation of property, plant and equipment credited to charitable activities expenses	-	-	-	-	-	-	
Total funds carried forward	648,484	178,963	105,000	237,656	102,620	1,272,723	

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22 Restricted Funds – Restricted Income Funds (cont'd)

	Restricted Funds						Total funds S\$
	Chaplaincy ^(v) S\$	Medifund ^(vi) S\$	Memorial ^(vii) S\$	Patient welfare ^(viii) S\$	Senior Mobility fund ^(v) S\$	Total funds S\$	
(v) Other Funds (cont'd)							
1 April 2017 to 31 March 2018							
Group and Company Income							
Income from generated funds	486,008	82,500	-	8,330	342,743	919,581	
- Voluntary income	336	124	62	2,208	-	2,730	
Investment income – interest income	-	-	-	505	-	505	
Other income	486,344	82,624	62	11,043	342,743	922,816	
Total incoming resources							
Expenditures							
Charitable activities	(535,163)	(167,861)	-	(150,864)	(344,174)	(1,198,062)	
Net expenditure before tax expense	(48,819)	(85,237)	62	(139,821)	(1,431)	(275,246)	
Transfer between funds	-	-	-	-	-	-	
Net expenditure after funds transfer	(48,819)	(85,237)	62	(139,821)	(1,431)	(275,246)	
Total funds brought forward	754,866	363,644	105,000	410,386	3,305	1,637,201	
Amortisation of expenses net of depreciation of property, plant and equipment credited to charitable activities expenses	-	-	-	-	-	-	
Total funds carried forward	706,047	278,407	105,062	270,565	1,874	1,361,955	

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22 Restricted Funds – Restricted Income Funds (cont'd)

(v) Other Funds (cont'd)

- (i) Chaplaincy fund was set up to finance the chaplaincy ministry in the Hospital.
- (ii) Medifund is funded by MOH to pay the fees of needy patients.
- (iii) Memorial fund was set up in memory of Mr and Mrs Lee Teck Hock. Monies in the fund are placed in fixed deposits and only the interest earned was used to finance the Hospital's operating expenditure.
- (iv) Patient welfare fund was set up for the purpose specified from the donors to help those patients in financial hardship.
- (v) Senior mobility fund is funded by MOH to purchase mobile friendly equipment and daily consumables for needy patients.

An amount of donations of S\$95,800 (2018: S\$90) are included in Patient Welfare – Income from generated funds (Note 25).

23 Related Party Transactions

Related parties may be individuals or corporate entities.

- (a) Parties are considered to be related if an individual or a close member of that individual's family is related to a Company if that individual (i) has control or joint control over the Company; (ii) has significant influence over the Company or (iii) is a governing board member, trustee, or member of the key management personnel of the Company or of a parent of the Company.
- (b) Parties are also considered to be related if an entity is related to the Company if (i) the entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others; (ii) the Company is an associate or joint venture of the Company (or an associate or joint venture of a member of a group of which the charity is a member) and vice versa; (iii) the entity and the Company are joint ventures of the same third party; (iv) the entity is a joint venture of a third entity and the Company is an associate of the third entity and vice versa; (v) the entity is controlled or jointly controlled by a person identified in (a); and (vi) an individual identified in (a)(i) has significant influence over the entity or is a governing board member, trustee or member of the key management personnel of the entity (or of a parent of the Company).

There are no transactions with related parties during the current and previous financial years.

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24 Commitments

(a) Operating Lease Commitments

At the balance sheet date, the Group and the Company had no contingent rent, renewal or purchase options and escalation clauses, subleases, and restrictions imposed by lease arrangements. The future minimum lease payment under non-cancellable operating leases with an original term of more than one year of the Group and the Company is as follows:

	Group and Company	
	<u>2019</u>	<u>2018</u>
	S\$	S\$
Within one year	17,052	29,900
Between two to five years	68,208	-
	85,260	29,900
	85,260	29,900

The operating lease payment is for rental payable in respect of operating lease of office equipment.

(b) Capital Commitments

Capital expenditure contracted for at the balance sheet date but not recognised in the financial statement is as follows:

	Group and Company	
	<u>2019</u>	<u>2018</u>
	S\$	S\$
Plant and equipment	32,180	-
Building expansion contracts	-	147,718
	32,180	147,718
	32,180	147,718

25 Donations Schedule

The Company is approved as an Institution of a Public Character (“IPC”) under the provision of the Income Tax Act. Donors to the Company are granted tax deduction.

	Group and Company	
	<u>2019</u>	<u>2018</u>
	S\$	S\$
Tax deductible donations	2,536,414	2,567,155
Non tax deductible donations	194,281	268,501
Non tax deductible donations in kind	22,367	20,897
Total (Notes 4, 5 and 22(v))	2,753,062	2,856,553
	2,753,062	2,856,553

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26 Key Management Remuneration

	Group and Company	
	<u>2019</u>	<u>2018</u>
Number of key management personnel in the following remuneration bands of:		
S\$400,001 to S\$500,000	1	1
S\$300,001 to S\$400,000	1	1
S\$200,001 to S\$300,000	1	1
	<u>3</u>	<u>3</u>
	<u>2019</u>	<u>2018</u>
	S\$	S\$
Compensation of key management personnel:		
Salaries and bonuses	1,087,334	1,017,328
Defined contribution plans (Employer CPF)	44,592	41,198
	<u>1,131,926</u>	<u>1,058,526</u>

None of the directors of the Group and the Company receive any remuneration, benefits, allowances or other manner of compensation for the financial years ended 31 March 2019 and 2018.

Remunerations paid to the close members of the governing board member's family under the provision in the governing document of the charity are disclosed as follows:

	Group and Company	
	<u>2019</u>	<u>2018</u>
Number of close member of the governing board member's family receiving remuneration in the following bands of:		
Less than S\$100,001	1	1
S\$100,001 to S\$200,000	1	1
	<u>2</u>	<u>2</u>
	<u>2019</u>	<u>2018</u>
	S\$	S\$
Compensation of remunerations		
Salaries and bonuses	206,791	201,487
Defined contribution plans (Employer CPF)	20,500	20,184
	<u>227,291</u>	<u>221,671</u>

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27 Reserve Policy

As set out in the Directors' Statement, the Board has established a reserve policy for the Group and Company, pursuant to the Code of Governance for Charities and IPCs Guidelines 6.4.1. The reserve measurement is calculated as follows:

	Group and Company	
	<u>2019</u>	<u>2018</u>
	S\$	S\$
Unrestricted funds (Reserves)	36,804,133	33,917,031
Net liquid assets available to meet expenditure obligations	26,451,492	19,671,906
Total operating expenditure (Unrestricted funds)	<u>44,107,833</u>	<u>41,561,304</u>
Ratio of net liquid assets to total operating expenditure	<u>0.60</u>	<u>0.47</u>

The Group and the Company do not have any externally imposed capital requirements for the financial years ended 31 March 2019 and 2018. There were no changes in the Group's and the Company's reserve policy during the financial year.