

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

ST LUKE'S HOSPITAL
(Incorporated in Singapore)

DIRECTORS' STATEMENT
AND FINANCIAL STATEMENTS

31 MARCH 2017

ST LUKE'S HOSPITAL
(Incorporated in Singapore)

31 MARCH 2017

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ST LUKE'S HOSPITAL
(Incorporated in Singapore)

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

The directors are pleased to present their statement to the members together with the audited financial statements of St Luke's Hospital (the "Company") for the financial year ended 31 March 2017.

In the opinion of the directors;

- (a) the financial statements of the Company as set out on pages 7 to 44 are drawn up so as to give a true and fair view of the financial position of the Company as at 31 March 2017 and the financial performance and cash flows 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 (Alternate director: Wong Kwok Wai Allan)
Chew Chin Tiong Ernest	Vice-Chairman (Alternate director: Lo Weng Fai appointed on 1 March 2017)
Jeyaraj Indra Raj	Honorary Secretary (Alternate director: Ng Bock Hon Danny)
Choo Eng Beng	Honorary Treasurer
Chua Song Khim	
Ho Yew Kee	
Khoo Teng Cheong	(Alternate director: Francis Maniam)
Lim Teck Chuan	(Alternate director: Lim Bee Lian Helen)
Tan Chee Koon Samuel	(Alternate director: Kok Hei Mun Jonathan)
Teo Lai Wah Timothy	(Appointed on 1 September 2016)
Wee Wan Joo	(Appointed on 1 September 2016)
Tan Wee King	(Appointed on 15 March 2017) (Alternate director: Genedine Gundena A Villanueva appointed on 15 March 2017)

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 Audit Committee (AC) has established a policy on the avoidance of conflict of interest for the Company.

ST LUKE'S HOSPITAL
(Incorporated in Singapore)

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

3 Conflict of Interest (cont'd)

Statement of Purpose and Authority (cont'd)

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 Company or to protect the interests 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 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 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 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
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DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

4 Reserve Policy

The principal activity 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 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 Company provide financial stability and the means for the development of their operations and activities. The Company intends 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 2017 and 2016.

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



CHOO ENG BENG
Director

Singapore
20 July 2017

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 accompanying financial statements of St Luke's Hospital (the "Company"), as set out on pages 7 to 44, which comprise the balance sheet of the Company as at 31 March 2017, the statement of financial activities, and statement of cash flows for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of the Company 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 Standards (CAS) so as to give a true and fair view of the financial position of the Company as at 31 March 2017 and of the financial performance, changes in the funds and cash flows 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 set out on pages 1 to 3.

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 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 Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance comprises the directors. Their responsibilities include overseeing 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 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
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(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 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 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.

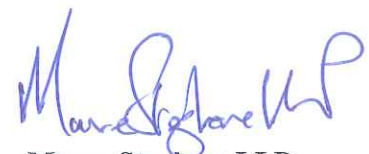
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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
Public Accountants and
Chartered Accountants

Singapore
20 July 2017

ST LUKE'S HOSPITAL
(Incorporated in Singapore)

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

1 April 2016 to 31 March 2017

	<u>Note</u>	Unrestricted <u>Funds</u> S\$	Restricted <u>Funds</u> S\$	Total <u>2017</u> S\$	Total <u>2016</u> S\$
INCOME					
Income from generated funds:					
Voluntary income	4	10,167,157	4,259,884	14,427,041	18,694,471
Activities for generating funds	5	720,547	-	720,547	1,368,448
Investment income	6	357,979	5,914	363,893	345,748
Income from charitable activities	7	26,606,794	-	26,606,794	25,000,289
Other income	8	1,192,698	2,299	1,194,997	1,117,043
Total income		39,045,175	4,268,097	43,313,272	46,525,999
EXPENDITURES					
Costs of generating funds:					
Voluntary income	9	203,611	-	203,611	612,209
Fundraising activities	9	127,364	-	127,364	252,387
Investment management cost	9	-	-	-	301,670
Charitable activities	10	38,357,988	2,971,802	41,329,790	41,138,781
Governance costs	11	872,147	-	872,147	1,109,495
Total expenditures		39,561,110	2,971,802	42,532,912	43,414,542
Net (expenditure)/income before tax expense	12	(515,935)	1,296,295	780,360	3,111,457
Tax expense	14	-	-	-	-
Net (expenditure)/income		(515,935)	1,296,295	780,360	3,111,457
Gross transfers between funds					
Gross transfers (from) funds	21(iii)	-	(1,220,491)	(1,220,491)	(2,064,435)
Gross transfers to funds	20	1,220,491	-	1,220,491	2,064,435
		1,220,491	(1,220,491)	-	-
Net income after funds transfer		704,556	75,804	780,360	3,111,457
Reconciliation of funds					
Total funds brought forward		30,060,466	26,973,090	57,033,556	55,756,010
Amortisation expenses net of depreciation of property, plant and equipment credited to charitable activities	15	-	(2,040,340)	(2,040,340)	(1,833,911)
Total funds carried forward		30,765,022	25,008,554	55,773,576	57,033,556

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

ST LUKE'S HOSPITAL
(Incorporated in Singapore)

BALANCE SHEET

AS AT 31 MARCH 2017

	<u>Note</u>	<u>2017</u> S\$	<u>2016</u> S\$
Non-Current Assets			
Property, plant and equipment	15	31,731,726	27,553,886
Investments in financial assets	16	4,636,872	5,563,133
		36,368,598	33,117,019
Current Assets			
Inventories, at cost		139,745	173,299
Trade and other receivables	17	12,795,272	17,140,570
Due from a related party	22	5,315	-
Cash and cash equivalents	18	14,854,962	16,778,941
		27,795,294	34,092,810
Current Liabilities			
Trade and other payables	19	8,390,316	8,809,551
Due to a related party	22	-	672
		8,390,316	8,810,223
Net Current Assets		19,404,978	25,282,587
Non-Current Liability			
Other payables	19	-	1,366,050
Total Assets Less Total Liabilities		55,773,576	57,033,556
Funds of Charity			
<u>Unrestricted Funds</u>			
Unrestricted income funds	20	22,074,318	21,394,542
Designated funds	20	8,690,704	8,665,924
		30,765,022	30,060,466
<u>Restricted Funds</u>			
Restricted income funds	21	25,008,554	26,973,090
Total Charity Funds		55,773,576	57,033,556

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

ST LUKE'S HOSPITAL
(Incorporated in Singapore)

STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

	<u>Note</u>	<u>2017</u> S\$	<u>2016</u> S\$
Cash Flows from Operating Activities			
Net income before tax expense		780,360	3,111,457
Adjustments for:			
Depreciation of property, plant and equipment	15	3,493,596	3,158,687
Interest income	6	(89,538)	(142,749)
Dividend income	6	(188,940)	(202,999)
Amortisation of building fund	15	(464,490)	(464,490)
Amortisation of building expansion fund	15	(1,322,167)	(1,180,827)
Amortisation of Community Silver Trust capital grant	15	(253,683)	(188,594)
Gain on disposal of property, plant and equipment		(3,032)	(150)
(Gain)/Loss on disposal of investments in financial assets		(13,098)	45,630
Reversal of impairment loss on investments in financial assets	6	(72,317)	-
Impairment loss on investments in financial assets	9	-	256,040
Provision for doubtful debts	12	17,627	23,465
Write back of provision for doubtful debts	12	(13,608)	(709)
Write off for stock obsolescence		28,427	44,371
Funds received for building expansion fund	4	(322,503)	(1,990,518)
Funds received for Community Silver Trust capital grant	4	(180,767)	(495,438)
Operating cash flows before changes in working capital		1,395,867	1,973,176
Inventories		5,127	55,155
Trade and other receivables		4,324,474	(7,054,795)
Trade and other payables		(1,785,285)	2,874,891
Net cash flows from/(used in) operating activities		<u>3,940,183</u>	<u>(2,151,573)</u>
Cash Flows from Investing Activities			
Acquisition of investments in financial assets	16	(510,625)	-
Acquisition of property, plant and equipment	15	(7,671,436)	(4,290,451)
Proceeds from disposal of investments in financial assets		1,522,301	28,850
Proceeds from disposal of property, plant and equipment		3,032	150
(Advances to)/Repayments from a related party		(5,987)	47,550
Interest received		106,343	140,534
Dividend received	6	188,940	202,999
Net cash flows used in investing activities		<u>(6,367,432)</u>	<u>(3,870,368)</u>
Cash Flows from Financing Activities			
Funds received for building expansion fund		322,503	1,990,518
Funds received for Community Silver Trust capital grant		180,767	495,438
Net cash flows from financing activities		<u>503,270</u>	<u>2,485,956</u>
Net decrease in cash and cash equivalents		(1,923,979)	(3,535,985)
Cash and cash equivalents at the beginning of the year		16,778,941	20,314,926
Cash and cash equivalents at the end of the year	18	<u>14,854,962</u>	<u>16,778,941</u>

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

ST LUKE'S HOSPITAL
(Incorporated in Singapore)

STATEMENT OF FINANCIAL ACTIVITIES - SUPPLEMENTARY SCHEDULES

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

Note	Unrestricted Funds					Restricted Funds					Total 2017 S\$	Total 2016 S\$	
	Unrestricted income fund S\$	New project fund S\$	Asset replacement fund S\$	Scholarship fund S\$	Subtotal S\$	Building fund -General S\$	Building expansion fund S\$	Community Silver Trust fund S\$	Community Silver Trust capital grant S\$	Other funds S\$			Subtotal S\$
4	10,167,157	-	-	-	10,167,157	-	322,503	2,863,011	180,767	893,603	4,259,884	14,427,041	18,694,471
5	720,547	-	-	-	720,547	-	-	-	-	-	-	720,547	1,368,448
6	333,199	-	19,886	4,894	357,979	-	-	124	-	5,790	5,914	363,893	345,748
7	26,606,794	-	-	-	26,606,794	-	-	-	-	-	-	26,606,794	25,000,289
8	1,192,698	-	-	-	1,192,698	-	-	-	-	2,299	2,299	1,194,997	1,117,043
	39,020,395	-	19,886	4,894	39,045,175	-	322,503	2,863,135	180,767	901,692	4,268,097	43,313,272	46,525,999
	203,611	-	-	-	203,611	-	-	-	-	-	-	203,611	612,209
9	127,364	-	-	-	127,364	-	-	-	-	-	-	127,364	232,387
9	-	-	-	-	-	-	-	-	-	-	-	-	301,670
10	38,357,988	-	-	-	38,357,988	-	-	1,520,443	-	1,451,359	2,971,802	41,329,790	41,138,781
11	872,147	-	-	-	872,147	-	-	-	-	-	-	872,147	1,109,495
	39,561,110	-	-	-	39,561,110	-	-	1,520,443	-	1,451,359	2,971,802	42,533,912	43,414,542
12	(540,715)	-	19,886	4,894	(515,935)	-	322,503	1,342,692	180,767	(549,667)	1,296,295	780,360	3,111,457
14	-	-	-	-	-	-	-	-	-	-	-	-	-
	(540,715)	-	19,886	4,894	(515,935)	-	322,503	1,342,692	180,767	(549,667)	1,296,295	780,360	3,111,457
21(iii)	-	-	-	-	-	-	-	(4,042,530)	-	-	(4,042,530)	(4,042,530)	(2,064,435)
20	1,220,491	-	-	-	1,220,491	-	-	2,822,039	-	-	2,822,039	4,042,530	2,064,435
	1,220,491	-	-	-	1,220,491	-	-	(4,042,530)	-	-	(2,822,039)	-	-
	679,776	-	19,886	4,894	704,556	-	322,503	(2,699,838)	3,002,806	(549,667)	75,804	780,360	3,111,457

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

ST LUKE'S HOSPITAL
(Incorporated in Singapore)

STATEMENT OF FINANCIAL ACTIVITIES - SUPPLEMENTARY SCHEDULES
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

	Unrestricted Funds					Restricted Funds				Total 2017 S\$	Total 2016 S\$		
	Unrestricted income fund S\$	New project fund S\$	Asset replacement fund S\$	Scholarship fund S\$	Subtotal S\$	Building fund - General S\$	Building expansion fund S\$	Community Silver Trust fund S\$	Community Silver Trust capital grant S\$			Other funds S\$	Subtotal S\$
1 April 2016 to 31 March 2017 (cont'd)	21,394,542	7,000,000	1,407,212	258,712	30,060,466	4,598,861	11,317,986	8,312,808	556,567	2,186,868	26,973,090	57,033,556	55,756,010
Reconciliation of funds	-	-	-	-	-	(464,490)	(1,322,167)	-	(253,683)	-	(2,040,340)	(2,040,340)	(1,833,911)
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	57,033,556
Amortisation expenses net of depreciation of property, plant and equipment credited to charitable activities	-	-	-	-	-	-	-	-	-	-	-	-	-
Total funds carried 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	57,033,556

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

ST LUKE'S HOSPITAL
(Incorporated in Singapore)

BALANCE SHEET - SUPPLEMENTARY SCHEDULES AS AT 31 MARCH 2017

	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	13,973,343	-	-	-	13,973,343	4,134,371	10,318,322	-	3,305,690	-	17,758,383	31,731,726
Investments in financial assets	-	4,636,872	-	-	4,636,872	-	-	-	-	-	-	4,636,872
	13,973,343	4,636,872	-	-	18,610,215	4,134,371	10,318,322	-	3,305,690	-	17,758,383	36,368,598
Current Assets												
Inventories, at cost	139,745	-	-	-	139,745	-	-	-	-	-	-	139,745
Trade and other receivables	5,997,819	-	172	33	5,998,024	-	-	6,793,248	-	4,000	6,797,248	12,795,272
Due from a related party	5,315	-	-	-	5,315	-	-	-	-	-	-	5,315
Cash and cash equivalents	10,348,412	2,363,128	1,426,926	263,573	14,402,039	-	-	(1,180,278)	-	1,633,201	452,923	14,854,962
	16,491,291	2,363,128	1,427,098	263,606	20,545,123	-	-	5,612,970	-	1,637,201	7,250,171	27,795,294
Current Liabilities												
Trade and other payables	8,390,316	-	-	-	8,390,316	-	-	-	-	-	-	8,390,316
Due to a related party	-	-	-	-	-	-	-	-	-	-	-	-
	8,390,316	-	-	-	8,390,316	-	-	-	-	-	-	8,390,316
Net Current Assets	8,100,975	2,363,128	1,427,098	263,606	12,154,807	-	-	5,612,970	-	1,637,201	7,250,171	19,404,978
Non-Current Liability												
Other payables	-	-	-	-	-	-	-	-	-	-	-	-
Total Assets Less Total Liabilities	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

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

ST LUKE'S HOSPITAL
(Incorporated in Singapore)

BALANCE SHEET - SUPPLEMENTARY SCHEDULES AS AT 31 MARCH 2017

(cont'd)

	Unrestricted Funds				Restricted Funds				Total S\$	
	Unrestricted income fund S\$	New project fund S\$	Asset replacement fund S\$	Scholarship fund 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	11,080,472	-	-	-	4,598,861	11,317,986	-	556,567	-	16,473,414
Investments in financial assets	-	5,563,133	-	-	5,563,133	-	-	-	-	5,563,133
	11,080,472	5,563,133	-	-	4,598,861	11,317,986	-	556,567	-	33,117,019
Current Assets										
Inventories, at cost	173,299	-	-	-	-	-	-	-	-	173,299
Trade and other receivables	8,488,771	-	255	54	-	-	-	-	374	8,651,490
Cash and cash equivalents	11,828,273	1,436,867	1,406,957	258,658	-	-	-	-	2,186,494	1,848,186
	20,490,343	1,436,867	1,407,212	258,712	-	-	-	-	2,186,868	34,092,810
Current Liabilities										
Trade and other payables	8,809,551	-	-	-	-	-	-	-	-	8,809,551
Due to a related party	672	-	-	-	-	-	-	-	-	672
	8,810,223	-	-	-	-	-	-	-	-	8,810,223
Net Current Assets	11,680,120	1,436,867	1,407,212	258,712	-	-	-	-	2,186,868	25,282,587
Non-Current Liability										
Other payables	1,366,050	-	-	-	-	-	-	-	-	1,366,050
Total Assets Less Total Liabilities	21,394,542	7,000,000	1,407,212	258,712	4,598,861	11,317,986	8,312,808	556,567	2,186,868	26,973,090
										57,033,556

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

ST LUKE'S HOSPITAL
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NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

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

1 General Information

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. There were no significant changes in 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 Company 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 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
(Incorporated in Singapore)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

2 Significant Accounting Policies (cont'd)

(b) Currency Translation

Functional and Presentation Currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (the "functional currency"). The financial statements are presented in Singapore Dollars ("S\$"), which is the Company's functional currency, as it best reflects the economic substance of the underlying 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 statement of financial activities.

(c) 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 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 Company. Unrestricted funds are expendable at the discretion of the Company's Board of Directors in furtherance 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 sheet.

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

ST LUKE'S HOSPITAL
(Incorporated in Singapore)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

2 Significant Accounting Policies (cont'd)

(d) 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 allocable 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 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
(Incorporated in Singapore)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

2 Significant Accounting Policies (cont'd)

(e) 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 shall not be measured at fair value subsequent to initial recognition.

(f) 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 Company has 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 is recognised in the statement of financial activities.

(g) Impairment of Financial Assets

The Company assesses 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 Company will not be able to collect all amounts due according to the original terms of the receivables.

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

ST LUKE'S HOSPITAL
(Incorporated in Singapore)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

2 Significant Accounting Policies (cont'd)

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

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 Company expects 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 necessary be an approximation) of the amount (which might be zero) that 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.

(h) 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.

(i) Financial Liabilities

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

(j) Trade and Other Payables

Trade and other payables, including due to related party but 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
(Incorporated in Singapore)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

2 Significant Accounting Policies (cont'd)

(k) 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.

(l) 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 Company has 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 Company are not recognised as income until they have been received by 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 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 Company has unconditional entitlement to the income. The income is deferred as a liability where uncertainty exists as to whether the Company can meet the conditions and is recognised as income when there is sufficient evidence that the conditions imposed can be met.

ST LUKE'S HOSPITAL
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NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

2 Significant Accounting Policies (cont'd)

(l) 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.

(m) 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 Company, other than those costs incurred in undertaking charitable activities in furtherance of the Company's objects.

Charitable Activities

Expenditure on charitable activities comprises all costs incurred in the pursuit of the charitable objects 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 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.

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

2 Significant Accounting Policies (cont'd)

(m) Expenditure (cont'd)

Other Expenditure

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

(n) Employee Benefits

Defined Contribution Plans

Defined contribution plans are post-employment benefit plans under which the Company pays 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 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.

(o) 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.

(p) 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.

ST LUKE'S HOSPITAL
(Incorporated in Singapore)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

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 Company makes 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 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 2017, the Company has recognised a provision for doubtful debts amounted to S\$17,627 (2016: S\$23,465). The carrying amount of the Company's trade and other receivables (excluding prepayments) as at 31 March 2017 amounted to S\$12,592,727 (2016: S\$16,896,110).

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 Company's particular circumstances. The bases for apportionment adopted by the Company were consistent between financial periods.

During the financial year ended 31 March 2017, the Company had costs of generating funds amounted to S\$330,975 (2016: S\$1,166,266), costs of charitable activities amounted to S\$41,329,790 (2016: S\$41,138,781) and governance costs amounted to S\$872,147 (2016: S\$1,109,495).

ST LUKE'S HOSPITAL
(Incorporated in Singapore)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

4 Income from Generated Funds – Voluntary Income

	<u>2017</u>	<u>2016</u>
	S\$	S\$
<i>Unrestricted Funds:</i>		
Donations - in cash	2,307,414	2,373,572
Donations - in kind	17,460	17,623
 Government grants:		
- Intermediate and Long-Term Care (ILTC) Manpower Initiatives	6,542,993	7,015,818
- Improvements of Dementia Services Project	540,000	520,000
- Healthcare Performance Office fund	279,074	177,444
- Aged Care Transition Project	258,696	317,473
- Home Intervention	93,316	-
- National University Hospital (Singapore) Innovation and Creativity in Education Fund	50,037	224,860
- Healthcare Productivity Fund	29,702	32,134
- Seer Programme	25,860	-
- Community Health Center Special Project	-	210,575
- Advanced Care Planning Project	-	143,260
- Cyclical Maintenance Project	-	456,629
- Others	22,605	-
	<u>10,167,157</u>	<u>11,489,388</u>
 <i>Restricted Funds:</i>		
Donations	433,349	540,597
Grants:		
- Building expansion fund	322,503	1,990,518
- Community Silver Trust fund	2,863,011	3,246,582
- Community Silver Trust capital grant	180,767	495,438
- Chaplaincy fund	4,327	458
- Medifund	110,010	242,765
- Patient welfare fund	8,361	6,036
- Senior mobility fund	337,556	682,689
	<u>4,259,884</u>	<u>7,205,083</u>
	<u>14,427,041</u>	<u>18,694,471</u>

ST LUKE'S HOSPITAL
(Incorporated in Singapore)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

5 Income from Generated Funds – Activities for Generating Funds

	<u>2017</u>	<u>2016</u>
	S\$	S\$
<i>Unrestricted Funds:</i>		
Fundraising:		
- Wesley Easter	154,271	160,232
- Christmas appeal	149,832	313,077
- Singtel mailer	123,994	53,897
- Charity lunch	112,750	-
- Chinese New Year appeal	97,741	187,105
- Starhub mailer	70,698	50,222
- Singapore Power mailer	11,261	51,583
- Annual giving	-	174,847
- Charity golf	-	110,000
- Keppel Golf	-	90,888
- UOB	-	58,075
- Others	-	118,522
	<u>720,547</u>	<u>1,368,448</u>

6 Income from Generated Funds – Investment Income

	<u>2017</u>	<u>2016</u>
	S\$	S\$
<i>Unrestricted Funds:</i>		
Dividend from investments in financial assets	188,940	202,999
Gain on disposal of investments in financial assets	13,098	-
Reversal of impairment loss on investments in financial assets (Note 16)	72,317	-
Interest:		
- Bank balances	45,762	53,461
- Investments in financial assets	37,862	82,642
	<u>357,979</u>	<u>339,102</u>
<i>Restricted Funds:</i>		
Interest - Bank balances	5,914	6,646
	<u>363,893</u>	<u>345,748</u>

ST LUKE'S HOSPITAL
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NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

7 Income from Charitable Activities

	<u>2017</u>	<u>2016</u>
	S\$	S\$
<i>Unrestricted Funds:</i>		
Ward charges	4,399,074	5,159,624
Treatment charges	1,712,141	1,615,003
Rehabilitation charges	3,394,517	2,694,088
Procedures and investigations	781,363	732,994
Pharmaceuticals	952,303	1,009,191
Consumables	365,496	366,332
X-ray services	51,526	56,758
Day rehabilitation and outpatient clinic	1,139,629	978,086
Home care and home assessments	168,805	125,176
Ambulance and others services	126,551	134,065
Government subventions:		
- Rehabilitation	12,075,069	13,073,997
- Continuing care	602,474	352,109
- Day rehabilitation and home care	840,962	621,071
Hospital subsidies and discounts	(860,545)	(2,781,685)
Interim disability assistance programme for the elderly ("IDAPE") subsidy	372	6,423
Government grant:		
- Land lease rental	857,057	857,057
	<u>26,606,794</u>	<u>25,000,289</u>

ST LUKE'S HOSPITAL
(Incorporated in Singapore)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

8 Other Income

	<u>2017</u>	<u>2016</u>
	S\$	S\$
<i>Unrestricted Funds:</i>		
Gain on disposal of property, plant and equipment	3,032	150
Management fee	77,426	201,600
Professional service fees	504,655	403,806
Training and course fee	392,889	335,629
Parking fee	75,292	77,936
Others	139,404	95,561
	1,192,698	1,114,682
 <i>Restricted Funds:</i>		
Others	2,299	2,361
	1,194,997	1,117,043

9 Costs of Generating Funds

	<u>2017</u>	<u>2016</u>
	S\$	S\$
<i>Unrestricted Funds:</i>		
<u>Voluntary income</u>		
Direct operating costs	13,999	84,490
Support costs		
- Salaries and related costs (Note 13)	144,358	470,987
- Depreciation (Note 15)	15,678	16,773
- Amortisation (Note 15)	(9,156)	(9,738)
- Others	38,732	49,697
	203,611	612,209
 <u>Fundraising activities</u>		
Direct operating costs	127,364	252,387
 <u>Investment management cost</u>		
Impairment loss on investments in financial assets (Note 16)	-	256,040
Loss on disposal of investments in financial assets	-	45,630
	-	301,670
Total costs of generating funds	330,975	1,166,266

The support costs of 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 Company.

ST LUKE'S HOSPITAL
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NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

10 Charitable Activities

	<u>2017</u>	<u>2016</u>
	S\$	S\$
<i>Unrestricted Funds:</i>		
<u>Direct operating costs</u>		
Salaries and related costs (Note 13)	23,642,614	23,639,608
Professional services		
- Medical & Allied Health services	1,403,535	1,536,953
- Nursing & Therapist services	514,096	533,404
Catering	1,053,234	1,027,896
Pharmaceuticals	789,891	803,183
Consumables	644,117	672,635
Laundry services	152,531	157,674
Laboratory	340,946	329,406
X-ray	78,836	84,722
Ambulance and others	141,413	159,397
	<u>28,761,213</u>	<u>28,944,878</u>
<u>Indirect operating costs</u>		
Salaries and related costs (Note 13)	3,300,751	3,109,949
Building maintenance	1,494,131	1,794,682
Depreciation (Note 15)	3,438,723	3,113,960
Amortisation (Note 15)	(2,008,294)	(1,807,943)
Land Lease rental/rental services	877,926	878,650
Repair and maintenance	398,036	345,412
Utilities	338,794	317,171
GST input tax disallowed	835,296	809,743
Security expenses	132,442	89,909
Publicity expenses	105,476	69,301
Others	683,494	627,787
	<u>9,596,775</u>	<u>9,348,621</u>
	<u>38,357,988</u>	<u>38,293,499</u>
<i>Restricted Funds:</i>		
Financial aid for needy patients	762,790	971,178
Other operating costs	688,569	555,330
Utilisation of Community Silver Trust fund		
- Salaries and related costs (Note 13)	1,317,269	950,646
- Research and project expenses	203,100	368,104
- Others	74	24
	<u>2,971,802</u>	<u>2,845,282</u>
Total costs of charitable activities	<u>41,329,790</u>	<u>41,138,781</u>

ST LUKE'S HOSPITAL
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NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

11 Governance Costs

	<u>2017</u>	<u>2016</u>
	S\$	S\$
<i>Unrestricted Funds:</i>		
Salaries and related costs (Note 13)	712,680	924,318
Building maintenance	17,030	16,111
Depreciation (Note 15)	39,194	27,954
Amortisation (Note 15)	(22,890)	(16,230)
Repair and maintenance	12,837	10,599
Utilities	3,863	2,847
GST input tax disallowed	26,939	24,848
Others	32,094	23,148
Audit fees		
- Statutory audit	34,500	41,550
- Certification audit	7,600	7,600
Professional fees	8,300	46,750
	<u>872,147</u>	<u>1,109,495</u>

The governance costs include costs of the preparation and examination of statutory accounts, the costs of governing board meetings and cost of governance arrangement which relate to the general running of the charity. The governance costs of the Company are apportioned based on the amount of time spent, floor area occupied and the number of staff operating in the Company. There are no other financial services incurred such as taxation advice, consultancy and financial advice for the financial years ended 31 March 2017 and 2016.

12 Net (Expenditure)/Income Before Tax Expense

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

	<u>2017</u>	<u>2016</u>
	S\$	S\$
Cost of inventories sold (included in charitable activities expenses)		
- Pharmaceuticals	789,891	803,183
- Consumables	644,117	672,635
Land lease rental	857,057	857,057
Operating lease rental - Equipment rental expenses	35,880	35,385
Depreciation expenses	3,493,596	3,158,687
Amortisation expenses	(2,040,340)	(1,833,911)
(Reversal of)/Impairment loss on investments in financial assets	(72,317)	256,040
Provision for doubtful debts (Note 17)	17,627	23,465
Write back of provision for doubtful debts (Note 17)	(13,608)	(709)
Gain on disposal of property, plant and equipment	(3,032)	(150)

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13 Employee Benefits

	<u>2017</u>	<u>2016</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	19,164,900	19,406,888
- Foreign workers' levy	766,699	742,296
- Other staff benefits	1,736,618	1,649,374
Post-employment benefits (Defined Contribution Plans)	1,974,397	1,841,050
Total salaries and related costs (Note 10)	23,642,614	23,639,608
 <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	3,555,025	3,825,030
- Foreign workers' levy	34,959	25,511
- Other staff benefits	164,280	252,969
Post-employment benefits (Defined Contribution Plans)	403,525	401,744
Total salaries and related costs	4,157,789	4,505,254
 <i>Included in Charitable Activities – Restricted Funds:</i>		
<u>Salaries and related costs</u>		
Short-term employee benefits:		
- Gross salaries and bonuses	870,250	564,114
- Other staff benefits	328,661	323,861
Post-employment benefits (Defined Contribution Plans)	118,358	62,671
Total salaries and related costs (Note 10)	1,317,269	950,646
 Average number of employees	473	460

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 year did not exceed 30% of the total gross receipts from fund-raising and sponsorship for that financial year.

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15 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\$
2017					
<u>Cost</u>					
At 1 April 2016	37,463,619	3,434,235	4,005,430	411,274	45,314,558
Additions	-	199,716	733,816	6,737,904	7,671,436
Disposals/write-off	-	(20,435)	(22,345)	-	(42,780)
Transfer	1,568,097	1,500	57,130	(1,626,727)	-
At 31 March 2017	<u>39,031,716</u>	<u>3,615,016</u>	<u>4,774,031</u>	<u>5,522,451</u>	<u>52,943,214</u>
<u>Accumulated depreciation</u>					
At 1 April 2016	12,990,043	2,443,780	2,326,849	-	17,760,672
Depreciation for the year	2,452,346	428,846	612,404	-	3,493,596
Disposals/write-off	-	(20,435)	(22,345)	-	(42,780)
At 31 March 2017	<u>15,442,389</u>	<u>2,852,191</u>	<u>2,916,908</u>	<u>-</u>	<u>21,211,488</u>
<u>Net book value</u>					
At 31 March 2017	<u>23,589,327</u>	<u>762,825</u>	<u>1,857,123</u>	<u>5,522,451</u>	<u>31,731,726</u>
2016					
<u>Cost</u>					
At 1 April 2015	29,384,088	2,735,930	3,436,274	5,590,156	41,146,448
Additions	-	732,026	657,776	2,900,649	4,290,451
Disposals/write-off	-	(33,721)	(88,620)	-	(122,341)
Transfer	8,079,531	-	-	(8,079,531)	-
At 31 March 2016	<u>37,463,619</u>	<u>3,434,235</u>	<u>4,005,430</u>	<u>411,274</u>	<u>45,314,558</u>
<u>Accumulated depreciation</u>					
At 1 April 2015	10,717,612	2,064,479	1,942,235	-	14,724,326
Depreciation for the year	2,272,431	413,022	473,234	-	3,158,687
Disposals/write-off	-	(33,721)	(88,620)	-	(122,341)
At 31 March 2016	<u>12,990,043</u>	<u>2,443,780</u>	<u>2,326,849</u>	<u>-</u>	<u>17,760,672</u>
<u>Net book value</u>					
At 31 March 2016	<u>24,473,576</u>	<u>990,455</u>	<u>1,678,581</u>	<u>411,274</u>	<u>27,553,886</u>

During the financial year ended 31 March 2017, the Company completed the alteration of certain of its existing blocks. Accordingly, the Company transferred the expenditure of S\$1,568,097 (2016: S\$8,079,531) incurred for the alteration of these existing blocks from "Building under construction" to the "Leasehold building" category. As at 31 March 2017, the building under construction comprises expenditure incurred for the on-going alteration of other existing blocks of the Company under the building expansion project which commenced in the previous financial year.

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15 Property, Plant and Equipment (cont'd)

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:

	<u>2017</u>	<u>2016</u>
	S\$	S\$
Net depreciation charged to statement of financial activities:		
Depreciation for the year	3,493,596	3,158,687
Amortisation of building fund (Note 21(i))	(464,490)	(464,490)
Amortisation of building expansion fund (Note 21(ii))	(1,322,167)	(1,180,827)
Amortisation of Community Silver Trust capital grant (Note 21(iv))	(253,683)	(188,594)
	(2,040,340)	(1,833,911)
Net depreciation of plant and equipment	1,453,256	1,324,776

16 Investments in Financial Assets

	<u>2017</u>	<u>2016</u>
	S\$	S\$
Cost:		
Balance at beginning of the year	5,819,173	5,893,653
Acquisitions	510,625	-
Disposals	(1,509,203)	(74,480)
Balance at end of the year	4,820,595	5,819,173
Accumulated impairment loss:		
Balance at beginning of the year	256,040	-
Reversal of impairment loss on investments in financial assets (Note 6)	(72,317)	-
Impairment loss on investments in financial assets (Note 9)	-	256,040
Balance at end of the year	183,723	256,040
Net investments in financial assets	4,636,872	5,563,133

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16 Investments in Financial Assets (cont'd)

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

	<u>2017</u> S\$	<u>2016</u> S\$
At carrying amount:		
Quoted bonds, convertible bonds, preference shares and equities	4,636,872	5,563,133
Market values	<u>5,382,936</u>	<u>6,219,939</u>

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

	<u>2017</u> %	<u>2016</u> %
Quoted preference shares	4.80	4.80
Quoted bonds	<u>4.17</u>	<u>4.17</u>

17 Trade and Other Receivables

	<u>2017</u> S\$	<u>2016</u> S\$
<u>Trade Receivables</u>		
Patient's fees	1,787,779	2,217,972
Less: Provision for doubtful debts	(39,001)	(83,873)
	<u>1,748,778</u>	<u>2,134,099</u>
<u>Other Receivables</u>		
Interest receivable	17,025	33,830
Other receivables ⁽¹⁾	689,250	1,681,751
Deposits	10,096	12,196
Government grants	3,334,330	4,383,118
Community Silver Trust funds receivable	6,793,248	8,651,116
	<u>10,843,949</u>	<u>14,762,011</u>
Prepayments	<u>202,545</u>	<u>244,460</u>
Total trade and other receivables	<u>12,795,272</u>	<u>17,140,570</u>

⁽¹⁾ Includes a building expansion project claim of S\$170,575 (2016: S\$1,295,731) receivable from National University Hospital ("NUH") for the building expansion funded by MOH.

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17 Trade and Other Receivables (cont'd)

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

	<u>2017</u>	<u>2016</u>
	S\$	S\$
Balance at beginning of the year	83,873	95,898
Provision for doubtful debts recognised during the year (Note 12)	17,627	23,465
Write back of provision for doubtful debts (Note 12)	(13,608)	(709)
Write off against provision for doubtful debts	(48,891)	(34,781)
Balance at end of the year	<u>39,001</u>	<u>83,873</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 2017, the Company recovered an amount of S\$13,608 (2016: S\$709) which had been previously provided for, and accordingly, these have been written back during the year. A provision for doubtful debts of S\$17,627 (2016: S\$23,465) has been made for the current financial year ended 31 March 2017 as these amounts are considered not recoverable.

18 Cash and Cash Equivalents

	<u>2017</u>	<u>2016</u>
	S\$	S\$
Fixed deposits placed with financial institutions	2,596,778	3,690,246
Cash and bank balances	12,258,184	13,088,695
Cash and cash equivalents per statement of cash flows	<u>14,854,962</u>	<u>16,778,941</u>

The weighted average effective interest rate earned on fixed deposits is 1.19% (2016: 1.12%) per annum with maturity dates ranging from 3 to 12 months (2016: 3 to 12 months).

Included in the cash and cash equivalents are S\$452,923 (2016: S\$1,848,186) which are short-term assets easily and readily converted into cash, the use of which are subject to relevant restricted funds' operating terms.

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19 Trade and Other Payables

	<u>2017</u>	<u>2016</u>
	S\$	S\$
<i>Current</i>		
<u>Trade Payables</u>		
Trade payables	2,291,423	1,829,319
<u>Other Payables</u>		
Other creditors	394,373	481,965
CPF payables	685,701	628,149
Claw back of government subsidy	2,851,590	2,102,875
Accrued staff cost	2,120,743	3,711,698
Other accruals	46,486	55,545
	8,390,316	8,809,551
<i>Non-Current</i>		
<u>Other Payables</u>		
Claw back of government subsidy	-	1,366,050
	-	1,366,050
Total trade and other payables	8,390,316	10,175,601

The Company receives government subvention from the MOH based on the patient's family income (i.e. "Means-testing"). During the financial year ended 31 March 2017, the Company has recognised claw back amounted to S\$1,272,818 (2016: S\$1,520,177) relating to the government subvention. The carrying amount of the claw back as at 31 March 2017 amounted to S\$2,851,590 (2016: S\$3,468,925). The claw back arises due to an overlap in claims under the same patients, one being the sub-acute care funding for sub-acute patients transferred from NUH, and the other being the government subvention for these patients based on means-testing.

MOH has approved S\$1,890,153 (2016: S\$1,351,165) of the claw back to offset against government subvention receivable from MOH.

20 Unrestricted Funds

	<u>2017</u>	<u>2016</u>
	S\$	S\$
Unrestricted income funds	(i) 22,074,318	21,394,542
<u>Designated funds:</u>		
- New project fund	(ii) 7,000,000	7,000,000
- Asset replacement fund	(iii) 1,427,098	1,407,212
- Scholarship fund	(iv) 263,606	258,712
Total designated funds	8,690,704	8,665,924
Total unrestricted funds	30,765,022	30,060,466

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20 Unrestricted Funds (cont'd)

- (i) The unrestricted income funds are available to the Company to apply for the general purposes of the charity as set out in its governing document.
- (ii) New project fund is to provide funds for future new project requirements.
- (iii) Asset replacement fund is set up to finance future building upgrading and equipment replacement.
- (iv) Scholarship fund is set up to attract medical and healthcare students to join the Company's healthcare team as doctors, nurses and therapists after they complete their studies.

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

	<u>2017</u>	<u>2016</u>
	S\$	S\$
Funds balance at beginning of the year	30,060,466	29,253,382
Total income	39,045,175	39,311,909
Total expenditure	(39,561,110)	(40,569,260)
Net expenditure	(515,935)	(1,257,351)
Gross transfers between funds		
- Transfer from Community Silver Trust Fund (Note 21(iii))	1,220,491	2,064,435
Funds balance at end of the year	30,765,022	30,060,466

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 2 years to utilise the funds for recurrent operating expenses and 5 years to utilise the funds for projects.

During the financial year ended 31 March 2017, the Company transferred from the Community Silver Trust fund of an amount of S\$1,220,491 (2016: S\$2,064,435) to utilise for recurrent operating expenses.

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21 Restricted Funds – Restricted Income Funds

	<u>2017</u>	<u>2016</u>
	S\$	S\$
Restricted income funds:		
- Building fund - General	(i) 4,134,371	4,598,861
- Building expansion fund	(ii) 10,318,322	11,317,986
- Community Silver Trust fund	(iii) 5,612,970	8,312,808
- Community Silver Trust capital grant	(iv) 3,305,690	556,567
- Other funds	(v) 1,637,201	2,186,868
Total restricted income funds	<u>25,008,554</u>	<u>26,973,090</u>

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

	<u>2017</u>	<u>2016</u>
	S\$	S\$
Funds balance at beginning of the year	26,973,090	26,502,628
Total income	4,268,097	7,214,090
Total expenditure	(2,971,802)	(2,845,282)
Net income	1,296,295	4,368,808
Gross transfers between funds	(1,220,491)	(2,064,435)
Amortisation expenses net of depreciation of property, plant and equipment credited to charitable activities	(2,040,340)	(1,833,911)
Funds balance at end of the year	<u>25,008,554</u>	<u>26,973,090</u>

(i) Building fund – General

	<u>2017</u>	<u>2016</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	8,446,461	7,981,971
Amortisation for the year (Note 15)	464,490	464,490
Balance at end of the year	<u>8,910,951</u>	<u>8,446,461</u>
Net balance at end of the year	<u>4,134,371</u>	<u>4,598,861</u>

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

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

(ii) Building expansion fund

	<u>2017</u>	<u>2016</u>
	S\$	S\$
Balance at beginning of the year	13,744,958	11,754,440
Grants received	322,503	1,990,518
Balance at end of the year	14,067,461	13,744,958
Amount amortised:		
Balance at beginning of the year	2,426,972	1,246,145
Amortisation for the year (Note 15)	1,322,167	1,180,827
Balance at end of the year	3,749,139	2,426,972
Net balance at end of the year	10,318,322	11,317,986

These are grants received from MOH for the building expansion. The Company recognised the grants in the statement of financial activities at the point when it has entitlement to the income and not deferred over the life of the asset. These amounts are amortised to net off the corresponding depreciation in the statement of financial activities.

(iii) Community Silver Trust fund

	<u>2017</u>	<u>2016</u>
	S\$	S\$
Balance at beginning of the year	8,312,808	8,449,311
Add: Income		
Community Silver Trust Matching Grant	2,863,011	3,246,582
Investment income	124	124
Less: Expenditure	(1,520,443)	(1,318,774)
Net income	1,342,692	1,927,932
Gross transfers between funds		
- Transfer to unrestricted funds (Note 20)	(1,220,491)	(2,064,435)
- Transfer to Community Silver Trust capital grant (Note 21(iv))	(2,822,039)	-
Balance at end of the year	5,612,970	8,312,808

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

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

These are dollar-for-dollar donation matching grants provided by the 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 Company.

During the financial year ended 31 March 2017, the Company recognised matching grant income amounted to S\$3,051,228 (2016: S\$3,742,020), being eligible donation income earned during the financial year, which met the terms and conditions under the agreement of the matching grant. Included in the matching grant income was an amount of S\$180,767 (2016: S\$495,438) used to purchase the fixed assets of the Company (Note 21(iv)).

(iv) Community Silver Trust capital grant

	<u>2017</u>	<u>2016</u>
	S\$	S\$
Balance at beginning of the year	556,567	249,723
Add: Income		
Community Silver Trust Matching Grant	180,767	495,438
Less: Expenditure	-	-
Net income	180,767	495,438
Gross transfers between funds		
- Transfer from Community Silver Trust fund (Note 21(iii))	2,822,039	-
Amortisation for the year (Note 15)	(253,683)	(188,594)
Balance at end of the year	3,305,690	556,567

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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21	Restricted Funds – Restricted Income Funds (cont'd)	← Restricted Funds →					Total funds
(v)	<i>Other Funds</i>	Chaplaincy ^(v)	Medifund ⁽ⁱⁱ⁾	Memorial ⁽ⁱⁱⁱ⁾	Patient welfare ^(iv)	Senior Mobility fund ^(v)	SS
		S\$	S\$	S\$	S\$	S\$	S\$
	1 April 2016 to 31 March 2017						
	Income						
	Income from generated funds						
	- Voluntary income	414,409	110,010	-	31,628	337,556	893,603
	Investment income	3,071	124	-	2,595	-	5,790
	Other income	580	-	-	1,719	-	2,299
	Total incoming resources	418,060	110,134	-	35,942	337,556	901,692
	Expenditures						
	Charitable activities	688,569	123,102	-	172,529	467,159	1,451,359
	Net expenditure before tax expense	(270,509)	(12,968)	-	(136,587)	(129,603)	(549,667)
	Transfer between funds	-	-	-	-	-	-
	Net expenditure after funds transfer	(270,509)	(12,968)	-	(136,587)	(129,603)	(549,667)
	Total funds brought forward	1,025,375	376,612	105,000	546,973	132,908	2,186,868
	Amortisation of expenses net of depreciation of property, plant and equipment credited to charitable activities expenses	-	-	-	-	-	-
	Total funds carried forward	754,866	363,644	105,000	410,386	3,305	1,637,201

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

(v) *Other Funds* (cont'd)

	Restricted Funds					Total funds S\$
	Chaplaincy ^(v) S\$	Medifund ^(iv) S\$	Memorial ⁽ⁱⁱⁱ⁾ S\$	Patient welfare ^(vi) S\$	Senior Mobility fund ^(v) S\$	
1 April 2015 to 31 March 2016						
Income						
Income from generated funds						
- Voluntary income	539,292	242,765	-	7,799	682,689	1,472,545
Investment income	2,687	125	-	3,710	-	6,522
Other income	100	-	-	1,186	1,075	2,361
Total incoming resources	542,079	242,890	-	12,695	683,764	1,481,428
Expenditures						
Charitable activities	555,330	293,647	-	125,729	551,802	1,526,508
Net (expenditure)/income before tax expense	(13,251)	(50,757)	-	(113,034)	131,962	(45,080)
Transfer between funds	-	-	-	-	-	-
Net (expenditure)/income after funds transfer	(13,251)	(50,757)	-	(113,034)	131,962	(45,080)
Total funds brought forward	1,038,626	427,369	105,000	660,007	946	2,231,948
Amortisation of expenses net of depreciation of property, plant and equipment credited to charitable activities expenses	-	-	-	-	-	-
Total funds carried forward	1,025,375	376,612	105,000	546,973	132,908	2,186,868

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21 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.

22 Due from/(to) a Related Party

	<u>2017</u>	<u>2016</u>
	S\$	S\$
Due from/(to) a related party	<u>5,315</u>	<u>(672)</u>

The amount due from/(to) the related party, St Luke's Eldercare Ltd is unsecured, non-interest bearing and repayable on demand.

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.

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23 Related Party Transactions (cont'd)

- (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).

The Company had the following significant transactions with a related party during the financial year at terms agreed, as detailed below:

	<u>2017</u>	<u>2016</u>
	S\$	S\$
<i>With St. Luke's Eldercare Ltd</i>		
Management fee	77,426	201,600
Office maintenance fees	6,364	7,200
Payment on behalf of St. Luke's Eldercare Ltd	190,010	282,256
Payment on behalf by St. Luke's Eldercare Ltd	3,397	34,808

Balances outstanding with a related party at the balance sheet date are disclosed in Note 22.

24 Commitments

- (a) Operating Lease Commitments

At the balance sheet date, 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 Company is as follows:

	<u>2017</u>	<u>2016</u>
	S\$	S\$
Within one year	35,880	35,880
Between two to five years	29,900	65,780
	65,780	101,660

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

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24 Commitments (cont'd)

(b) Capital Commitments

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

	<u>2017</u>	<u>2016</u>
	S\$	S\$
Building expansion contracts	3,239,935	9,231,600

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.

	<u>2017</u>	<u>2016</u>
	S\$	S\$
Tax deductible donations	2,385,619	3,656,100
Non tax deductible donations	665,609	85,920
Non tax deductible donations in kind	17,460	17,623
Total (Notes 4, 5 and 21(v))	3,068,688	3,759,643

26 Key Management Remuneration

	<u>2017</u>	<u>2016</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	-
S\$200,001 to S\$300,000	1	2
	3	3

	<u>2017</u>	<u>2016</u>
	S\$	S\$
Compensation of key management personnel:		
Salaries and bonuses	1,069,511	855,843
Defined contribution plans (Employer CPF)	43,090	33,045
	1,112,601	888,888

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26 Key Management Remuneration (cont'd)

All the directors of the Company or their family members, did not receive any remuneration, benefits, allowances or other manner of compensation for the financial years ended 31 March 2017 and 2016.

27 Reserve Policy

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

	<u>2017</u>	<u>2016</u>
	S\$	S\$
Unrestricted funds (Reserves)	30,765,022	30,060,466
Net liquid assets available to meet expenditure obligations	16,651,934	18,806,695
Total operating expenditure (Unrestricted funds)	<u>39,561,110</u>	<u>40,569,260</u>
Ratio of net liquid assets to total operating expenditure	<u>0.42</u>	<u>0.46</u>

The Company does not have any externally imposed capital requirements for the financial years ended 31 March 2017 and 2016. There were no changes in the Company's reserve policy during the financial year.