

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 2020

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

31 MARCH 2020

CONTENTS	PAGE
Directors' Statement	1 - 3
Independent Auditor's Report	4 - 6
Statement of Financial Activities	7
Balance Sheets	8
Statement of Cash Flows	9
Statement of Financial Activities - Supplementary Schedules	10 - 13
Balance Sheet - Supplementary Schedules	14 - 15
Notes to the Financial Statements	16 - 45

ST LUKE'S HOSPITAL
(Incorporated in Singapore)

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

The directors are pleased to present their report to the members together with the audited financial statements of St Luke's Hospital (the "Company") for the financial year ended 31 March 2020.

In the opinion of the directors;

- (a) the financial statements of the Company are drawn up so as to give a true and fair view of the state of affairs of the Company as at 31 March 2020, and of the results 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
Chew Chin Tiong Ernest	Vice-Chairman
Jeyaraj Indra Raj	Honorary Secretary
Lim Beng Hoon Rosana	(appointed on 1 December 2019)
	Honorary Treasurer (appointed on 1 February 2020)
Choo Eng Beng	
Chua Song Khim	
Foong Daw Ching	
Ho Kuen Loon	(appointed on 1 July 2020)
Kok Hei Mun Jonathan	(appointed on 15 May 2019)
Lim Huey Sheng	(appointed on 1 April 2020)
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 Company.

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

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

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
(Incorporated in Singapore)**

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

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 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 2020 and 2019.

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



.....
LIM BENG HOON ROSANA
Director

Singapore
7 August 2020



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"), which comprise the balance sheets of the Company as at 31 March 2020, the statement of financial activities and the statement of cash flows 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 Company as at 31 March 2020 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.

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

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



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 and their governing board. 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the 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
7 August 2020

ST LUKE'S HOSPITAL
(Incorporated in Singapore)

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

1 April 2019 to 31 March 2020

	<u>Note</u>	<u>Unrestricted Funds</u> S\$	<u>Restricted Funds</u> S\$	<u>Total 2020</u> S\$	<u>Total 2019</u> S\$
INCOME					
Income from generated funds:					
Voluntary income	4	4,155,259	5,226,377	9,381,636	8,149,907
Activities for generating funds	5	1,644,442	-	1,644,442	1,280,062
Investment income	6	492,670	2,014	494,684	427,745
Income from charitable activities	7	38,599,741	-	38,599,741	39,101,199
Other income	8	2,073,339	84,895	2,158,234	1,974,074
Total income		46,965,451	5,313,286	52,278,737	50,932,987
EXPENDITURES					
Costs of generating funds:					
Voluntary income	9	371,162	-	371,162	295,313
Fundraising activities	9	207,495	-	207,495	134,746
Charitable activities	10	45,366,240	2,758,327	48,124,567	44,493,394
Governance costs	11	1,145,131	-	1,145,131	1,040,654
Other expenditure	11	317,171	-	317,171	323,797
Total expenditures		47,407,199	2,758,327	50,165,526	46,287,904
Net (expenditures)/income before tax expense	12	(441,748)	2,554,959	2,113,211	4,645,083
Tax expense	14	-	-	-	-
Net (expenditures)/income		(441,748)	2,554,959	2,113,211	4,645,083
Gross transfers between funds					
Gross transfers (to) funds		-	(1,616,144)	(1,616,144)	(10,900,001)
Gross transfers from funds		1,528,065	88,079	1,616,144	10,900,001
	21, 22	1,528,065	(1,528,065)	-	-
Net income after funds transfer		1,086,317	1,026,894	2,113,211	4,645,083
Reconciliation of funds					
Total funds brought forward		36,804,133	25,232,863	62,036,996	60,500,135
Amortisation expenses net of depreciation of property, plant and equipment credited to charitable activities	16	-	(2,924,337)	(2,924,337)	(3,108,222)
Total funds carried forward		37,890,450	23,335,420	61,225,870	62,036,996

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

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

BALANCE SHEETS

AS AT 31 MARCH 2020

	<u>Note</u>	<u>2020</u> S\$	<u>2019</u> S\$
Non-Current Assets			
Property, plant and equipment	16	26,276,240	29,579,801
Investments in financial assets	17	4,909,259	5,175,665
		31,185,499	34,755,466
Current Assets			
Inventories, at cost		112,392	135,883
Trade and other receivables	18	12,689,903	10,683,305
Cash and cash equivalents	19	28,089,076	24,219,555
		40,891,371	35,038,743
Current Liabilities			
Trade and other payables	20	10,851,000	7,757,213
		30,040,371	27,281,530
Net Current Assets			
		61,225,870	62,036,996
Total Assets less Total Liabilities			
		61,225,870	62,036,996
Funds of Charity			
<u>Unrestricted Funds</u>			
Unrestricted income funds	21	29,793,145	28,801,674
Designated funds	21	8,097,305	8,002,459
		37,890,450	36,804,133
<u>Restricted Funds</u>			
Restricted income funds	22	23,335,420	25,232,863
		61,225,870	62,036,996
Total Charity Funds			
		61,225,870	62,036,996

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 2020

	<u>Note</u>	<u>2020</u> S\$	<u>2019</u> S\$
Cash Flows from Operating Activities			
Net income before tax expense		2,113,211	4,645,083
Adjustments for:			
Depreciation of property, plant and equipment	16	4,991,689	5,001,796
Interest income	6	(342,126)	(196,319)
Dividend income	6	(130,222)	(153,288)
Amortisation of building fund	16	(464,490)	(464,490)
Amortisation of building expansion fund	16	(1,673,282)	(1,799,849)
Amortisation of Community Silver Trust capital grant	16	(786,565)	(843,883)
Gain on disposal of property, plant and equipment	12	(230)	(1,607)
Gain on disposal of investments in financial assets	6	(22,336)	(42,469)
Impairment loss on investments in financial assets	17	317,171	323,797
Reversal of impairment loss on investments in financial assets	6	-	(26,462)
Provision for doubtful debts	12	825	30,218
Write back of provision for doubtful debts	12	(7,907)	(3,038)
Funds received/receivable for building expansion fund	4	(86,853)	(1,035,689)
Operating cash flows before changes in working capital		3,908,885	5,433,800
Inventories		23,491	(10,005)
Trade and other receivables		(332,070)	2,385,761
Trade and other payables		1,516,888	(634,726)
Net cash flows from operating activities		5,117,194	7,174,830
Cash Flows from Investing Activities			
Acquisition of investments in financial assets	17	(129,430)	(351,675)
Acquisition of property, plant and equipment	16	(1,688,128)	(1,218,797)
Proceeds from disposal of investments in financial assets		101,001	397,549
Proceeds from disposal of property, plant and equipment		230	11,507
Interest received		328,332	185,726
Dividend received	6	130,222	153,288
Repayment from/(advance to) a subsidiary		10,100	(10,100)
Net cash flows used in investing activities		(1,247,673)	(832,502)
Cash Flows from Financing Activities			
Funds received for building expansion fund		-	2,652,681
Net cash flows from financing activities		-	2,652,681
Net increase in cash and cash equivalents		3,869,521	8,995,009
Cash and cash equivalents at the beginning of the year		24,219,555	15,224,546
Cash and cash equivalents at the end of the year	19	28,089,076	24,219,555

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 2020

	Note	Unrestricted Funds				Restricted Funds						Total 2020 S\$	Total 2019 S\$
		Unrestricted income fund	New project fund	Asset replacement fund	Sub-total	Building fund - General	Building expansion fund	Community Silver Trust fund	Community Silver Trust capital grant	Other funds	Sub-total		
		S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$		
INCOME													
Income from generated funds:													
Voluntary income	4	4,155,259	-	-	4,155,259	-	86,853	3,820,162	-	1,319,362	5,226,377	9,381,636	8,149,907
Activities for generating funds	5	1,644,442	-	-	1,644,442	-	-	-	-	-	-	1,644,442	1,280,062
Investment income	6	397,824	32,668	62,178	492,670	-	-	124	-	1,890	2,014	494,684	427,745
Income from charitable activities	7	38,599,741	-	-	38,599,741	-	-	-	-	-	-	38,599,741	39,101,199
Other income	8	2,073,339	-	-	2,073,339	-	-	-	-	84,895	84,895	2,158,234	1,974,074
Total income		46,870,605	32,668	62,178	46,965,451	-	86,853	3,820,286	-	1,406,147	5,313,286	52,278,737	50,932,987
EXPENDITURES													
Costs of generating funds:													
Voluntary income	9	371,162	-	-	371,162	-	-	-	-	-	-	371,162	295,313
Fundraising activities	9	207,495	-	-	207,495	-	-	-	-	-	-	207,495	134,746
Charitable activities	10	45,366,240	-	-	45,366,240	-	-	1,300,508	-	1,457,819	2,758,327	48,124,567	44,493,394
Governance costs	11	1,145,131	-	-	1,145,131	-	-	-	-	-	-	1,145,131	1,040,654
Other expenditure	11	317,171	-	-	317,171	-	-	-	-	-	-	317,171	323,797
Total expenditures		47,407,199	-	-	47,407,199	-	-	1,300,508	-	1,457,819	2,758,327	50,165,526	46,287,904
Net (expenditures)/income before tax expense	12	(536,594)	32,668	62,178	(441,748)	-	86,853	2,519,778	-	(51,672)	2,554,959	2,113,211	4,645,083
Tax expense	14	-	-	-	-	-	-	-	-	-	-	-	-
Net (expenditures)/income		(536,594)	32,668	62,178	(441,748)	-	86,853	2,519,778	-	(51,672)	2,554,959	2,113,211	4,645,083
Gross transfer between funds													
Gross transfers (to) funds		-	-	-	-	-	-	(1,616,144)	-	-	(1,616,144)	(1,614,144)	(10,900,001)
Gross transfers from funds		1,528,065	-	-	1,528,065	-	-	-	88,079	-	88,079	1,616,144	10,900,001
	21,22	1,528,065	-	-	1,528,065	-	-	(1,616,144)	88,079	-	(1,528,065)	-	-
Net income/(expenditures) after funds transfer		991,471	32,668	62,178	1,086,317	-	86,853	903,634	88,079	(51,672)	1,026,894	2,113,211	4,645,083

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 2020

(cont'd)

	<u>Unrestricted Funds</u>				<u>Restricted Funds</u>							<u>Total</u> <u>2020</u> S\$	<u>Total</u> <u>2019</u> S\$
	<u>Unrestricted</u> <u>income</u> <u>fund</u> S\$	<u>New</u> <u>project</u> <u>fund</u> S\$	<u>Asset</u> <u>replacement</u> <u>fund</u> S\$	<u>Sub-total</u> S\$	<u>Building</u> <u>fund</u> <u>- General</u> S\$	<u>Building</u> <u>expansion</u> <u>fund</u> S\$	<u>Community</u> <u>Silver Trust</u> <u>fund</u> S\$	<u>Community</u> <u>Silver Trust</u> <u>capital</u> <u>grant</u> S\$	<u>Other</u> <u>funds</u> S\$	<u>Sub-total</u> S\$			
1 April 2019 to 31 March 2020 (cont'd) Note													
Reconciliation of funds													
Total funds brought 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	
Amortisation expenses net of depreciation of property, plant and equipment credited to charitable activities	16	-	-	-	(464,490)	(1,673,282)	-	(786,565)	-	(2,924,337)	(2,924,337)	(3,108,222)	
Total funds carried forward	29,793,145	2,032,668	6,064,637	37,890,450	2,740,901	9,775,325	5,500,731	4,097,412	1,221,051	23,335,420	61,225,870	62,036,996	

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 2020

(cont'd)

	Note	Unrestricted Funds				Restricted Funds						Total 2019 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\$	Sub-total S\$	
1 April 2018 to 31 March 2019												
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
Activities for generating funds	5	1,280,062	-	-	1,280,062	-	-	-	-	-	-	1,280,062
Investment income	6	418,538	-	4,574	423,112	-	-	134	-	4,499	4,633	427,745
Income from charitable activities	7	39,101,199	-	-	39,101,199	-	-	-	-	-	-	39,101,199
Other income	8	1,924,322	-	-	1,924,322	-	-	-	-	49,752	49,752	1,974,074
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
EXPENDITURES												
Costs of generating funds:												
Voluntary income	9	295,313	-	-	295,313	-	-	-	-	-	-	295,313
Fundraising activities	9	134,746	-	-	134,746	-	-	-	-	-	-	134,746
Charitable activities	10	42,313,323	-	-	42,313,323	-	-	820,427	-	1,359,644	2,180,071	44,493,394
Governance costs	11	1,040,654	-	-	1,040,654	-	-	-	-	-	-	1,040,654
Other expenditure	11	323,797	-	-	323,797	-	-	-	-	-	-	323,797
Total expenditures		44,107,833	-	-	44,107,833	-	-	820,427	-	1,359,644	2,180,071	46,287,904
Net income/(expenditures) 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
Tax expense	14	-	-	-	-	-	-	-	-	-	-	-
Net income/(expenditures)		1,794,650	-	4,574	1,799,224	-	1,035,689	1,899,402	-	(89,232)	2,845,859	4,645,083
Gross transfers between funds												
Gross transfers (to) funds		(7,630,000)	-	-	(7,630,000)	-	-	(3,270,001)	-	-	(3,270,001)	(10,900,001)
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
	21,22	(6,542,122)	2,000,000	5,630,000	1,087,878	-	-	(3,270,001)	2,182,123	-	(1,087,878)	-
Net (expenditures)/income 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

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 2020

(cont'd)

	Unrestricted Funds				Restricted Funds						
	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\$
1 April 2018 to 31 March 2019 (cont'd) <u>Note</u>											
Reconciliation of funds											
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
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)
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

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 2020

	<u>Unrestricted Funds</u>				<u>Restricted Funds</u>						
	Unrestricted income <u>fund</u> S\$	New project <u>fund</u> S\$	Asset replacement <u>fund</u> S\$	<u>Sub-total</u> S\$	Building fund <u>- General</u> S\$	Building expansion <u>fund</u> S\$	Community Silver Trust <u>fund</u> S\$	Community Silver Trust capital <u>grant</u> S\$	Other <u>funds</u> S\$	<u>Sub-total</u> S\$	<u>Total</u> S\$
2020											
Non-Current Assets											
Property, plant and equipment	9,764,497	-	-	9,764,497	2,740,901	9,673,430	-	4,097,412	-	16,511,743	26,276,240
Investments in financial assets	4,909,259	-	-	4,909,259	-	-	-	-	-	-	4,909,259
	<u>14,673,756</u>	<u>-</u>	<u>-</u>	<u>14,673,756</u>	<u>2,740,901</u>	<u>9,673,430</u>	<u>-</u>	<u>4,097,412</u>	<u>-</u>	<u>16,511,743</u>	<u>31,185,499</u>
Current Assets											
Inventories, at cost	112,392	-	-	112,392	-	-	-	-	-	-	112,392
Trade and other receivables	5,880,771	-	-	5,880,771	-	101,895	6,539,855	-	167,382	6,809,132	12,689,903
Cash and cash equivalents	19,922,229	2,032,668	6,064,637	28,019,534	-	-	(1,039,124)	-	1,108,666	69,542	28,089,076
	<u>25,915,392</u>	<u>2,032,668</u>	<u>6,064,637</u>	<u>34,012,697</u>	<u>-</u>	<u>101,895</u>	<u>5,500,731</u>	<u>-</u>	<u>1,276,048</u>	<u>6,878,674</u>	<u>40,891,371</u>
Current Liabilities											
Trade and other payables	10,796,003	-	-	10,796,003	-	-	-	-	54,997	54,997	10,851,000
Net Current Assets	<u>15,119,389</u>	<u>2,032,668</u>	<u>6,064,637</u>	<u>23,216,694</u>	<u>-</u>	<u>101,895</u>	<u>5,500,731</u>	<u>-</u>	<u>1,221,051</u>	<u>6,823,677</u>	<u>30,040,371</u>
Total Assets Less Total Liabilities	<u>29,793,145</u>	<u>2,032,668</u>	<u>6,064,637</u>	<u>37,890,450</u>	<u>2,740,901</u>	<u>9,775,325</u>	<u>5,500,731</u>	<u>4,097,412</u>	<u>1,221,051</u>	<u>23,335,420</u>	<u>61,225,870</u>

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 2020

(cont'd)

	Unrestricted Funds				Restricted Funds						
	Unrestricted income <u>fund</u> S\$	New project <u>fund</u> S\$	Asset replacement <u>fund</u> S\$	<u>Sub-total</u> S\$	Building fund <u>- General</u> S\$	Building expansion <u>fund</u> S\$	Community Silver Trust <u>fund</u> S\$	Community Silver Trust capital <u>grant</u> S\$	Other <u>funds</u> S\$	<u>Sub-total</u> S\$	<u>Total</u> S\$
2019											
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	29,579,801
Investments in financial assets	5,175,665	-	-	5,175,665	-	-	-	-	-	-	5,175,665
	<u>15,392,423</u>	<u>-</u>	<u>-</u>	<u>15,392,423</u>	<u>3,205,391</u>	<u>11,361,754</u>	<u>-</u>	<u>4,795,898</u>	<u>-</u>	<u>19,363,043</u>	<u>34,755,466</u>
Current Assets											
Inventories, at cost	135,883	-	-	135,883	-	-	-	-	-	-	135,883
Trade and other receivables	5,126,866	-	-	5,126,866	-	-	5,555,351	-	1,088	5,556,439	10,683,305
Cash and cash equivalents	15,703,905	2,000,000	6,002,459	23,706,364	-	-	(958,254)	-	1,471,445	513,191	24,219,555
	<u>20,966,654</u>	<u>2,000,000</u>	<u>6,002,459</u>	<u>28,969,113</u>	<u>-</u>	<u>-</u>	<u>4,597,097</u>	<u>-</u>	<u>1,472,533</u>	<u>6,069,630</u>	<u>35,038,743</u>
Current Liabilities											
Trade and other payables	7,557,403	-	-	7,557,403	-	-	-	-	199,810	199,810	7,757,213
Net Current Assets	<u>13,409,251</u>	<u>2,000,000</u>	<u>6,002,459</u>	<u>21,411,710</u>	<u>-</u>	<u>-</u>	<u>4,597,097</u>	<u>-</u>	<u>1,272,723</u>	<u>5,869,820</u>	<u>27,281,530</u>
Total Assets Less Total Liabilities	<u>28,801,674</u>	<u>2,000,000</u>	<u>6,002,459</u>	<u>36,804,133</u>	<u>3,205,391</u>	<u>11,361,754</u>	<u>4,597,097</u>	<u>4,795,898</u>	<u>1,272,723</u>	<u>25,232,863</u>	<u>62,036,996</u>

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

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 was no significant changes in the Company's principal activities during the financial year.

The principal activity of St Luke's Outpatient Services Ltd (the "Subsidiary") was to provide outpatient care and related medical services. The Subsidiary was struck off on 4 February 2020 and accordingly, financial statements are prepared on a Company level basis for the financial year ended 31 March 2020. In the previous financial year, the financial statements were prepared on a Group level basis, incorporating the results of the Company and its Subsidiary. As the Subsidiary remained dormant during the financial year, the Subsidiary does not have a material financial impact to the financial performance and position of the Group.

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 2020

2 Significant Accounting Policies (cont'd)

(b) Currency Translation

Functional and Presentation Currency

Items included in the financial statements of each entity in the Company are measured using the currency of the primary economic environment in which the entities operate (the “functional currency”). The financial statements 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) 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 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
(Incorporated in Singapore)**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

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 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 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.

(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.

ST LUKE'S HOSPITAL
(Incorporated in Singapore)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

2 Significant Accounting Policies (cont'd)

(e) Investments in Financial Assets (cont'd)

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.

(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 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.

(g) Impairment of Financial Assets

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 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 consider assessable data that come to the attention 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 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 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.

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

2 Significant Accounting Policies (cont'd)

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

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

(j) 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.

(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 have unconditional entitlement.

ST LUKE'S HOSPITAL
(Incorporated in Singapore)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

2 Significant Accounting Policies (cont'd)

(1) Income Recognition (cont'd)

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 have 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.

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.

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

2 Significant Accounting Policies (cont'd)

(m) Expenditure (cont'd)

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.

Other Expenditure

Other expenditure includes the payment of any expenditure that the Company have 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 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 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.

ST LUKE'S HOSPITAL
(Incorporated in Singapore)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

2 Significant Accounting Policies (cont'd)

(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.

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 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 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 2020, the Company have recognised a provision for doubtful debts for trade receivables amounted to S\$825 (2019: S\$30,218). The carrying amount of the Company's total trade receivables and other receivables (excluding prepayments) as at reporting date are set out in Note 18 to the financial statements.

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

3 Critical Accounting Estimates, Assumptions and Judgments (cont'd)

Critical judgments made in applying accounting policies (cont'd)

Apportionment of Costs

In determining the apportionment of costs between the governance 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 are 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 2020, the Company had costs of generating funds amounted to S\$578,657 (2019: S\$430,059), costs of charitable activities amounted to S\$48,124,567 (2019: S\$44,493,394), governance costs amounted to S\$1,145,131 (2019: S\$1,040,654) and other expenditure amounted to S\$317,171 (2019: S\$323,797).

4 Income from Generated Funds – Voluntary Income

	<u>2020</u>	<u>2019</u>
	S\$	S\$
<i>Unrestricted Funds:</i>		
Donations - in cash	2,174,054	1,354,833
Donations - in kind	21,394	22,367
 Government grants:		
- Intermediate and Long-Term Care (ILTC) Manpower Initiatives	786,494	851,119
- Tiered Provider	345,107	362,422
- Aged Care Transition Project	287,751	245,070
- Home Intervention	237,036	173,865
- Healthcare Performance Office fund	112,000	84,000
- Others	191,423	84,686
	4,155,259	3,178,362

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

4	Income from Generated Funds – Voluntary Income (cont'd)	<u>2020</u> S\$	<u>2019</u> S\$
	<i>Restricted Funds:</i>		
	Donations	396,909	563,428
	Grants:		
	- Community Silver Trust fund	3,820,162	2,719,695
	- Chaplaincy fund	173,459	180
	- Medifund	190,300	79,500
	- Building expansion fund	86,853	1,035,689
	- Patient welfare fund	5,136	3,836
	- Senior mobility fund	553,558	569,217
		<u>5,226,377</u>	<u>4,971,545</u>
	Total income from generated funds – voluntary income	<u>9,381,636</u>	<u>8,149,907</u>
5	Income from Generated Funds – Activities for Generating Funds	<u>2020</u> S\$	<u>2019</u> S\$
	<i>Unrestricted Funds:</i>		
	Fundraising:		
	- Charity dinner/lunch	950,700	171,552
	- Christmas appeal	255,272	533,169
	- Wesley Easter	104,079	187,565
	- Virtual run/Dr. Tan Lai Yong Triathlon	65,350	134,184
	- Chinese New Year	63,543	128,802
	- Keppel golf	63,000	90,888
	- Singpost/Starhub mailer	51,986	8,347
	- Direct mail	43,209	-
	- Anniversary commemorative books	25,500	-
	- Others	21,803	25,555
	Total income from generated funds – activities for generating funds	<u>1,644,442</u>	<u>1,280,062</u>

ST LUKE'S HOSPITAL
(Incorporated in Singapore)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

6 Income from Generated Funds – Investment Income

	<u>2020</u>	<u>2019</u>
	S\$	S\$
<i>Unrestricted Funds:</i>		
Dividend from investments in financial assets	130,222	153,288
Gain on disposal of investments in financial assets	22,336	42,469
Reversal of impairment loss on investments in financial assets (Note 17)	-	26,462
Interest:		
- Bank balances	258,802	121,475
- Investments in financial assets	81,310	79,418
	492,670	423,112
<i>Restricted Funds:</i>		
Interest - Bank balances	2,014	4,633
Total income from generated funds – investment income	494,684	427,745

During the financial year ended 31 March 2020, an amount of S\$32,668 (2019: Nil) and S\$62,178 (2019: S\$4,574) interest income have been allocated to the Unrestricted funds – New Project fund and Asset Replacement fund respectively.

7 Income from Charitable Activities

	<u>2020</u>	<u>2019</u>
	S\$	S\$
<i>Unrestricted Funds:</i>		
Ward charges	10,334,318	10,212,541
Treatment charges	3,977,600	4,062,229
Rehabilitation charges	3,017,907	3,764,598
Day rehabilitation and outpatient clinic	1,219,610	1,331,762
Procedures and investigations	1,088,714	992,265
Pharmaceuticals	909,444	935,625
Consumables	676,649	728,514
Home care and home assessments	268,745	191,963
Ambulance and others services	213,878	217,556
X-ray services	56,131	45,597
Government subventions:		
- Rehabilitation	19,492,484	19,419,935
- Day rehabilitation and home care	1,117,234	1,007,291
- Continuing care	828,538	874,909
Hospital subsidies and discounts	(5,477,611)	(5,572,689)
Government grant:		
- Land lease rental	876,100	889,103
Total income from charitable activities	38,599,741	39,101,199

ST LUKE'S HOSPITAL
(Incorporated in Singapore)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

8 Other Income

	<u>2020</u>	<u>2019</u>
	S\$	S\$
<i>Unrestricted Funds:</i>		
Training and course fees	1,588,982	1,602,533
Professional service fees	348,291	216,348
Parking fees	95,042	92,743
Gain on disposal of property, plant and equipment	230	1,607
Others	40,794	11,091
	2,073,339	1,924,322
 <i>Restricted Funds:</i>		
Others	84,895	49,752
	84,895	49,752
Total other income	2,158,234	1,974,074

9 Costs of Generating Funds

	<u>2020</u>	<u>2019</u>
	S\$	S\$
<i>Unrestricted Funds:</i>		
<u>Voluntary income</u>		
Direct operating costs	55,938	32,416
Support costs		
- Salaries and related costs (Note 13)	265,568	224,658
- Depreciation (Note 16)	22,401	22,602
- Amortisation (Note 16)	(13,123)	(14,105)
- Others	40,378	29,742
	371,162	295,313
 <u>Fundraising activities</u>		
Direct operating costs	207,495	134,746
	207,495	134,746
Total costs of generating funds	578,657	430,059

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
(Incorporated in Singapore)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

10 Charitable Activities

	<u>2020</u>	<u>2019</u>
	S\$	S\$
<i>Unrestricted Funds:</i>		
<u>Direct operating costs</u>		
Salaries and related costs (Note 13)	27,768,383	26,583,057
Professional services		
- Medical & Allied Health services	1,002,861	1,001,248
- Nursing & Therapist services	331,893	237,876
Catering	1,185,947	1,124,239
Pharmaceuticals	962,784	960,311
Consumables	1,114,378	1,103,520
Laundry services	155,383	163,092
Laboratory	384,854	300,343
X-ray	83,047	73,550
Ambulance and others	457,023	281,146
	<u>33,446,553</u>	<u>31,828,382</u>
 <u>Indirect operating costs</u>		
Salaries and related costs (Note 13)	4,663,760	4,061,269
Building maintenance	1,765,719	1,552,151
Depreciation (Note 16)	4,913,287	4,922,688
Amortisation (Note 16)	(2,878,406)	(3,058,855)
Land lease rental/rental services	919,033	924,455
Repair and maintenance	439,226	470,070
Utilities	329,562	297,073
GST input tax disallowed	471,862	270,336
Security expenses	152,489	151,581
Publicity expenses	141,674	72,403
Others	1,001,481	821,770
	<u>11,919,687</u>	<u>10,484,941</u>
	<u>45,366,240</u>	<u>42,313,323</u>
 <i>Restricted Funds:</i>		
Financial aid for needy patients	891,462	784,632
Salaries and related costs (Note 13)	544,963	552,765
Other operating costs	21,394	22,247
Utilisation of Community Silver Trust fund		
- Salaries and related costs (Note 13)	1,205,534	677,333
- Research and project expenses	94,910	143,030
- Others	64	64
	<u>2,758,327</u>	<u>2,180,071</u>
Total costs of charitable activities	<u><u>48,124,567</u></u>	<u><u>44,493,394</u></u>

ST LUKE'S HOSPITAL
(Incorporated in Singapore)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

11 Governance Costs and Other Expenditures

	<u>2020</u>	<u>2019</u>
	S\$	S\$
<u>Governance costs</u>		
<i>Unrestricted Funds:</i>		
Salaries and related costs (Note 13)	916,530	800,472
Building maintenance	20,126	17,691
Depreciation (Note 16)	56,001	56,506
Amortisation (Note 16)	(32,808)	(35,262)
Repair and maintenance	14,414	13,385
Utilities	3,756	3,386
GST input tax disallowed	15,485	7,698
Others	42,522	29,431
Audit fees		
- Statutory audit	43,000	43,000
- Certification audit	14,200	11,700
Other professional fees	51,905	92,647
Total governance costs	<u>1,145,131</u>	<u>1,040,654</u>
 <u>Other expenditure</u>		
Impairment loss on investments in financial assets (Note 17)	<u>317,171</u>	<u>323,797</u>

12 Net (Expenditures)/Income Before Tax Expense

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

	<u>2020</u>	<u>2019</u>
	S\$	S\$
Cost of inventories sold (included in charitable activities expenses)		
- Pharmaceuticals	962,784	960,311
- Consumables	1,114,379	1,103,520
Land lease rental	909,072	909,072
Operating lease rental - equipment rental expenses	25,353	30,844
Depreciation expenses	4,991,689	5,001,796
Amortisation expenses	(2,924,337)	(3,108,222)
Impairment loss on investments in financial assets	317,171	323,797
Reversal of impairment loss on investments in financial assets	-	(26,462)
Provision for doubtful debts (Note 18)	825	30,218
Write back of provision for doubtful debts (Note 18)	(7,907)	(3,038)
Gain on disposal of property, plant and equipment	<u>(230)</u>	<u>(1,607)</u>

ST LUKE'S HOSPITAL
(Incorporated in Singapore)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

13 Employee Benefits

	<u>2020</u>	<u>2019</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	23,322,849	22,339,145
- Foreign workers' levy	1,027,858	788,537
- Other staff benefits	1,135,749	1,280,568
Post-employment benefits (Defined Contribution Plans)	2,281,927	2,174,807
Total salaries and related costs (Note 10)	27,768,383	26,583,057
 <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	4,781,925	4,292,381
- Foreign workers' levy	27,659	21,413
- Other staff benefits	463,307	254,342
Post-employment benefits (Defined Contribution Plans)	572,967	518,263
Total salaries and related costs	5,845,858	5,086,399
 <i>Included in Charitable Activities – Restricted Funds:</i>		
<u>Salaries and related costs</u>		
Short-term employee benefits:		
- Gross salaries and bonuses	1,534,725	1,080,410
- Other staff benefits	25,043	19,659
Post-employment benefits (Defined Contribution Plans)	190,729	130,029
Total salaries and related costs (Note 10)	1,750,497	1,230,098
 Total employee benefits	35,364,738	32,899,554
 Number of employees as at 31 March	510	500

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.

ST LUKE'S HOSPITAL
(Incorporated in Singapore)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

15 Subsidiary

The Company's wholly owned subsidiary, St Luke's Outpatient Services Ltd., was a company, limited by guarantee, domiciled and incorporated in Singapore on 22 February 2018. The principal activity of St Luke's Outpatient Services Ltd was to provide outpatient care and related medical services.

The Company considered St Luke's Outpatient Services Ltd to be its subsidiary as it had 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 year and was struck off from the register of Accounting and Corporate Regulatory Authority on 4 February 2020. In the previous financial year, the subsidiary had minimal impact on the consolidated financial statements.

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\$
2020					
<u>Cost</u>					
At 1 April 2019	49,599,927	3,948,975	6,314,705	-	59,863,607
Additions	-	802,075	231,476	654,577	1,688,128
Disposals/write-off	-	(1,220)	(3,900)	-	(5,120)
Transfer	654,577	-	-	(654,577)	-
At 31 March 2020	<u>50,254,504</u>	<u>4,749,830</u>	<u>6,542,281</u>	<u>-</u>	<u>61,546,615</u>
<u>Accumulated depreciation</u>					
At 1 April 2019	22,159,163	3,535,630	4,589,013	-	30,283,806
Depreciation for the year	3,970,383	290,021	731,285	-	4,991,689
Disposals/write-off	-	(1,220)	(3,900)	-	(5,120)
At 31 March 2020	<u>26,129,546</u>	<u>3,824,431</u>	<u>5,316,398</u>	<u>-</u>	<u>35,270,375</u>
<u>Net book value</u>					
At 31 March 2020	<u>24,124,958</u>	<u>925,399</u>	<u>1,225,883</u>	<u>-</u>	<u>26,276,240</u>
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>

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

16 Property, Plant and Equipment (cont'd)

During the financial year ended 31 March 2020, the Company commenced and completed the alteration of the existing blocks and transferred the expenditure of S\$654,577 (2019: S\$1,374,287) 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:

	<u>2020</u>	<u>2019</u>
	S\$	S\$
Net depreciation charged to statement of financial activities:		
Depreciation for the year	4,991,689	5,001,796
Amortisation of building fund (Note 22(i))	(464,490)	(464,490)
Amortisation of building expansion fund (Note 22(ii))	(1,673,282)	(1,799,849)
Amortisation of Community Silver Trust capital grant (Note 22(iv))	(786,565)	(843,883)
	<u>(2,924,337)</u>	<u>(3,108,222)</u>
Net depreciation of property, plant and equipment	<u>2,067,352</u>	<u>1,893,574</u>

17 Investments in Financial Assets

	<u>2020</u>	<u>2019</u>
	S\$	S\$
Cost:		
Balance at beginning of the year	5,798,436	5,801,841
Acquisitions	129,430	351,675
Disposals	(78,665)	(355,080)
Balance at end of the year	<u>5,849,201</u>	<u>5,798,436</u>
Accumulated impairment loss:		
Balance at beginning of the year	622,771	325,436
Impairment loss on investments in financial assets (Note 11)	317,171	323,797
Reversal of impairment loss on investments in financial assets (Note 6)	-	(26,462)
Balance at end of the year	<u>939,942</u>	<u>622,771</u>
Net investments in financial assets	<u>4,909,259</u>	<u>5,175,665</u>

During the financial year ended 31 March 2020, an impairment loss of S\$317,171 (2019: S\$323,797) for investments in financial assets was made due to a sustained and prolonged decline in the market value of these investments below their costs.

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

17 Investments in Financial Assets (cont'd)

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

	<u>2020</u> S\$	<u>2019</u> S\$
At carrying amount:		
Quoted bonds, non-convertible bonds, quoted preference shares and equities	4,909,259	5,175,665
Market values	5,277,698	5,825,599

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

	<u>2020</u> %	<u>2019</u> %
Quoted preference shares	3.88	4.33
Quoted bonds	2.94	2.86

18 Trade and Other Receivables

	<u>2020</u> S\$	<u>2019</u> S\$
<u>Trade Receivables</u>		
Patient's fees	1,939,252	2,552,156
Less: Provision for doubtful debts	(26,811)	(37,645)
	1,912,441	2,514,511
<u>Other Receivables</u>		
Community Silver Trust funds receivables	6,539,857	5,555,351
Government grants receivables	2,017,486	2,035,226
Job Support Scheme grant receivables	1,576,899	-
Other receivables	327,061	347,219
Interest receivable	42,393	28,599
Amount due from a subsidiary	-	10,100
Deposits	8,449	13,449
	10,512,145	7,989,944
Prepayments	265,317	178,850
Total trade and other receivables	12,689,903	10,683,305

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

18 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>2020</u> S\$	<u>2019</u> S\$
Balance at beginning of the year	37,645	11,246
Provision for doubtful debts recognised during the year (Note 12)	825	30,218
Write back of provision for doubtful debts (Note 12)	(7,907)	(3,038)
Write off against provision for doubtful debts	(3,752)	(781)
Balance at end of the year	<u>26,811</u>	<u>37,645</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 2020, the Company recovered an amount of S\$7,907 (2019: S\$3,038) which had been previously provided for, and accordingly, these have been written back during the year. A provision for doubtful debts of S\$825 (2019: S\$30,218) has been made for the current financial year ended 31 March 2020 as these amounts are considered not recoverable.

19 Cash and Cash Equivalents

	<u>2020</u> S\$	<u>2019</u> S\$
Fixed deposits placed with financial institutions	8,338,591	2,634,911
Cash and bank balances	19,750,485	21,584,644
Cash and cash equivalents per statement of cash flows	<u>28,089,076</u>	<u>24,219,555</u>

The weighted average effective interest rate earned on fixed deposits is 1.65% (2019: 1.45%) per annum with maturity dates ranging from 3 to 12 months (2019: 3 to 12 months).

Included in the cash and cash equivalents are S\$1,108,666 (2019: S\$1,471,445) which are short-term assets easily and readily converted into cash, the use of which are subject to relevant restricted funds' operating terms.

ST LUKE'S HOSPITAL
(Incorporated in Singapore)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

20 Trade and Other Payables

	<u>2020</u>	<u>2019</u>
	S\$	S\$
<i>Current</i>		
<u>Trade Payables</u>		
Trade payables	1,799,434	1,298,055
<u>Other Payables</u>		
Accrued staff cost	4,948,526	4,128,594
CPF payables	951,910	817,562
Other creditors	510,969	512,671
Claw back of government subsidy ⁽¹⁾	465,813	620,519
Other accruals	597,449	379,812
	9,274,101	7,757,213
Deferred revenue ⁽²⁾	1,576,899	-
	10,851,000	7,757,213

⁽¹⁾ The Company receive government subvention from the Ministry of Health (MOH) based on the patient's household income (i.e. "Means-testing"). The carrying amount of the claw back as at 31 March 2020 amounted to S\$465,813 (2019: S\$620,519). The claw back arises due to an overlap in claims under the same patients, one being the hip fracture patients (2019: hip fracture patients) transferred from NUH, and the other being the government subvention for these patients based on means-testing. The Company recognised claw back provision of S\$957,119 relating to the government subvention in the financial year ended 31 March 2019.

⁽²⁾ As at 31 March 2020, the Company recognised deferred revenue of S\$1,576,899 (2019: Nil) in relation to the Job Support Scheme for wages paid to local employees under the scheme. The grant recognised are in relation to salary costs incurred from October 2019 to March 2020. Job Support Scheme grant would be recognised in statement of financial activities as a grant income, on a systematic basis, over the estimated ten months period of economic uncertainty from April 2020 in which the Company recognises the related salary costs.

21 Unrestricted Funds

		<u>2020</u>	<u>2019</u>
		S\$	S\$
Unrestricted income funds	(i)	29,793,145	28,801,674
Designated funds:			
- Asset replacement fund	(ii)	6,064,637	6,002,459
- New project fund	(iii)	2,032,668	2,000,000
Total designated funds		8,097,305	8,002,459
Total unrestricted funds		37,890,450	36,804,133

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

21 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) Asset replacement fund is set up to finance future system upgrading and replacement.
- (iii) The new project fund is available to the Company for future new project requirements.

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

	<u>2020</u>	<u>2019</u>
	S\$	S\$
Funds balance at beginning of the year	36,804,133	33,917,031
Total income	46,965,451	45,907,057
Total expenditures	(47,407,199)	(44,107,833)
Net (expenditures)/income	(441,748)	1,799,224
Gross transfers between funds:		
- Transfer from Community Silver Trust Fund (Note 22(iii))	1,528,065	1,087,878
Funds balance at end of the year	37,890,450	36,804,133

During the financial years ended 31 March 2020 and 2019, 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 prevailing financial year. The Company has 5 years to utilise the funds for projects. During the financial year ended 31 March 2020, the Company transferred from the Community Silver Trust fund of an amount of S\$1,528,065 (2019: S\$1,087,878) to utilise for recurrent operating expenses.

22 Restricted Funds – Restricted Income Funds

	<u>2020</u>	<u>2019</u>
	S\$	S\$
Restricted income funds:		
- Building fund – General	(i) 2,740,901	3,205,391
- Building expansion fund	(ii) 9,775,325	11,361,754
- Community Silver Trust fund	(iii) 5,500,731	4,597,097
- Community Silver Trust capital grant	(iv) 4,097,412	4,795,898
- Other funds	(v) 1,221,051	1,272,723
Total restricted income funds	23,335,420	25,232,863

ST LUKE'S HOSPITAL
(Incorporated in Singapore)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

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:

	<u>2020</u> S\$	<u>2019</u> S\$
Funds balance at beginning of the year	25,232,863	26,583,104
Total income	5,313,286	5,025,930
Total expenditures	(2,758,327)	(2,180,071)
Net income	2,554,959	2,845,859
Gross transfers between funds	(1,528,065)	(1,087,878)
Amortisation expenses net of depreciation of property, plant and equipment credited to charitable activities (Note 16)	(2,924,337)	(3,108,222)
Funds balance at end of the year	23,335,420	25,232,863
 (i) Building fund – General		
	<u>2020</u> S\$	<u>2019</u> S\$
Balance at beginning and end of the year	13,045,322	13,045,322
Amount amortised:		
Balance at beginning of the year	9,839,931	9,375,441
Amortisation for the year (Note 16)	464,490	464,490
Balance at end of the year	10,304,421	9,839,931
Net balance at end of the year	2,740,901	3,205,391

These are capital grants received from MOH and donations received from the public 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.

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

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

(ii) Building expansion fund

	<u>2020</u>	<u>2019</u>
	S\$	S\$
Balance at beginning of the year	18,354,663	17,318,974
Grants received/receivable	86,853	1,035,689
Balance at end of the year	18,441,516	18,354,663
Amount amortised:		
Balance at beginning of the year	6,992,909	5,193,060
Amortisation for the year (Note 16)	1,673,282	1,799,849
Balance at end of the year	8,666,191	6,992,909
Net balance at end of the year	9,775,325	11,361,754

These are grants received/receivable 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. These amounts are amortised to net off the corresponding depreciation in the statement of financial activities.

(iii) Community Silver Trust fund

	<u>2020</u>	<u>2019</u>
	S\$	S\$
Balance at beginning of the year	4,597,097	5,967,696
Add: Income		
Community Silver Trust Matching Grant	3,820,162	2,719,695
Investment income - interest income	124	134
Less: Expenditure	(1,300,508)	(820,427)
Net income	2,519,778	1,899,402
Gross transfers between funds:		
- Transfer to unrestricted funds (Note 21)	(1,528,065)	(1,087,878)
- Transfer to Community Silver Trust capital grant (Note 22(iv))	(88,079)	(2,182,123)
Balance at end of the year	5,500,731	4,597,097

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

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 Company.

During the financial year ended 31 March 2020, the Company recognised matching grant income amounted to S\$3,820,162 (2019: S\$2,719,695), being eligible donation income earned during the financial years, which met the terms and conditions under the agreement of the matching grant.

(iv) Community Silver Trust capital grant

	<u>2020</u>	<u>2019</u>
	S\$	S\$
Balance at beginning of the year	4,795,898	3,457,658
Gross transfers between funds:		
- Transfer from Community Silver Trust fund (Note 22(iii))	88,079	2,182,123
Amortisation for the year (Note 16)	(786,565)	(843,883)
Balance at end of the year	4,097,412	4,795,898

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.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020**

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

(v) Other Funds

	Restricted Funds					Total funds
	<u>Chaplaincy⁽ⁱ⁾</u> S\$	<u>Medifund⁽ⁱⁱ⁾</u> S\$	<u>Memorial⁽ⁱⁱⁱ⁾</u> S\$	<u>Patient welfare^(iv)</u> S\$	<u>Senior Mobility fund^(v)</u> S\$	
<u>1 April 2019 to 31 March 2020</u>						
Income						
Income from generated funds						
- Voluntary income	568,703	190,300	-	6,801	553,558	1,319,362
Investment income - interest income	124	102	1,371	293	-	1,890
Other income	83,960	-	-	935	-	84,895
Total incoming resources	<u>652,787</u>	<u>190,402</u>	<u>1,371</u>	<u>8,029</u>	<u>553,558</u>	<u>1,406,147</u>
Expenditures						
Charitable activities	(566,229)	(177,554)	-	(130,793)	(583,243)	(1,457,819)
Net income/(expenditures) before tax expense	86,558	12,848	1,371	(122,764)	(29,685)	(51,672)
Transfer between funds	-	-	-	-	-	-
Net income/(expenditures) funds transfer	86,558	12,848	1,371	(122,764)	(29,685)	(51,672)
Total funds brought forward	648,484	178,963	105,000	237,656	102,620	1,272,723
Amortisation of expenses net of depreciation of property, plant and equipment credited to charitable activities expenses	-	-	-	-	-	-
Total funds carried forward	<u>735,042</u>	<u>191,811</u>	<u>106,371</u>	<u>114,892</u>	<u>72,935</u>	<u>1,221,051</u>

ST LUKE'S HOSPITAL
(Incorporated in Singapore)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

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

(v) Other Funds (cont'd)

	Restricted Funds					Total funds S\$
	<u>Chaplaincy⁽ⁱ⁾</u> S\$	<u>Medifund⁽ⁱⁱ⁾</u> S\$	<u>Memorial⁽ⁱⁱⁱ⁾</u> S\$	<u>Patient welfare^(iv)</u> S\$	<u>Senior Mobility fund^(v)</u> S\$	
<u>1 April 2018 to 31 March 2019</u>						
Income						
Income from generated funds						
- Voluntary income	467,808	79,500	-	99,636	569,217	1,216,161
Investment income - interest income	124	124	(62)	4,313	-	4,499
Other income	49,140	-	-	612	-	49,752
Total incoming resources	517,072	79,624	(62)	104,561	569,217	1,270,412
Expenditures						
Charitable activities	(574,635)	(179,068)	-	(137,470)	(468,471)	(1,359,644)
Net (expenditures)/income before tax expense	(57,563)	(99,444)	(62)	(32,909)	100,746	(89,232)
Transfer between funds	-	-	-	-	-	-
Net (expenditures)/income 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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

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\$1,666 (2019: S\$95,800) 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.

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

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>2020</u> S\$	<u>2019</u> S\$
Within one year	17,052	17,052
Between two to five years	51,156	68,208
	<u>68,208</u>	<u>85,260</u>

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:

	<u>2020</u> S\$	<u>2019</u> S\$
Plant and equipment	<u>143,847</u>	<u>32,180</u>

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>2020</u> S\$	<u>2019</u> S\$
Tax deductible donations	3,416,900	2,536,414
Non tax deductible donations	403,262	194,281
Non tax deductible donations in kind	21,394	22,367
Total (Notes 4, 5 and 22(v))	<u>3,841,556</u>	<u>2,753,062</u>

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

26 Key Management Remuneration

	<u>2020</u>	<u>2019</u>
Number of key management personnel in the following remuneration bands of:		
S\$500,001 to S\$600,000	1	-
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	1
	3	3
	<u>2020</u>	<u>2019</u>
	S\$	S\$
Compensation of key management personnel:		
Salaries and bonuses	1,107,139	1,087,334
Defined contribution plans (Employer CPF)	41,513	44,592
	1,148,652	1,131,926

None of the directors of the Company receive any remuneration, benefits, allowances or other manner of compensation for the financial years ended 31 March 2020 and 2019.

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:

	<u>2020</u>	<u>2019</u>
Number of close member of the governing board member's family receiving remuneration in the following bands of:		
Less than S\$100,001	2	1
S\$100,001 to S\$200,000	-	1
	2	2
	<u>2020</u>	<u>2019</u>
	S\$	S\$
Compensation of remunerations		
Salaries and bonuses	25,639	206,791
Defined contribution plans (Employer CPF)	2,448	20,500
	28,087	227,291

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

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>2020</u>	<u>2019</u>
	S\$	S\$
Unrestricted funds (Reserves)	37,890,450	36,804,133
Net liquid assets available to meet expenditure obligations	28,013,561	26,451,492
Total operating expenditure (Unrestricted funds)	<u>47,407,199</u>	<u>44,107,833</u>
Ratio of net liquid assets to total operating expenditure	<u>0.59</u>	<u>0.60</u>

The Company do not have any externally imposed capital requirements for the financial years ended 31 March 2020 and 2019. There were no changes in the Company's reserve policy during the financial year.